



Date: April 04, 2024

To
BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400001
Scrip Code:540203

Dear Sirs,

Sub: Application for obtaining "No-Objection Certificate" to the draft Composite Scheme of Arrangement between Belvedere International Limited, Kanvas Concepts Private Limited, Kurlon Retail Limited, Komfort Universe Products and Services Limited, Starship Value Chain and Manufacturing Private Limited, Kurlon Enterprise Limited and Sheela Foam Limited and their respective shareholders and creditors (the "Scheme")

Ref: Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations)

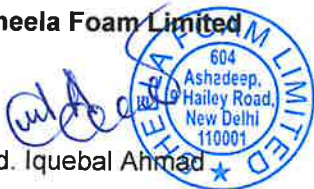
We refer to our letter dated **March 28, 2024** informing you about the decision of Board of Directors of the Company approving the Scheme.

In continuation of the aforesaid, we are now submitting the draft Scheme under Regulation 37 of the SEBI LODR Regulations for obtaining No-Objection Certificate. Also enclosed is the checklist, duly filled in together with annexures thereto.

We will be please to provide any clarification/ information as may be required in relation to the above. We request you to kindly grant the No-Objection Certificate to the Scheme at your earliest convenience.

Thanking You
Yours faithfully

Sheela Foam Limited



Md. Iqbal Ahmad

Company Secretary and Compliance Officer

Enclosed: Checklist

SHEELA FOAM LTD.

#14, Sleepwell Tower , Sector 135, Noida- 201301

Ph: Int-91(0)-120-4868400 • Fax: Int-91-(0)-120-4162282, 4162283 • Email: contactus@sheelafoam.com
Regd. Office: 604 Ashadeep, 9 Hailey Road, New Delhi-110001, India • Ph: Int-91(0)-11-23316875-76
Toll Free: 1800 103 6664 • www.sleepwellproducts.com • www.sheelafoam.com

CIN-L74899DL1971PLC005679



Draft Composite Scheme of Arrangement between Belvedere International Limited, Kanvas Concepts Private Limited, Kurlon Retail Limited, Komfort Universe Products and Services Limited, Starship Value Chain and Manufacturing Private Limited, Kurlon Enterprise Limited and Sheela Foam Limited and their respective Shareholders and Creditors (the "Scheme")

Documents required to be submitted for approval under Regulation 37 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015 (LODR Regulations) for the Scheme of Arrangement proposed to be filed under section 230-232 of the Companies Act 2013

| Sr. No. | List of Documents | Annexure | Page No. |
|---------|---|----------|----------|
| 1. | Certified true copy of the resolution passed by the Board of Directors of the Company approving the Scheme and taking into account the Audit Committee Report, Independent Report and all the relevant documents related to Scheme. | 1 | 1-22 |
| 2. | Certified copy of the draft Scheme of Arrangement proposed to be filed before the Jurisdictional NCLT | 2 | 23-74 |
| 3. | (i) Valuation report from Registered Valuer (ii) Confirmation from the listed entity signed by Company Secretary/ Compliance Officer stating that: a) No material event impacting the valuation has occurred during the intervening period of filing the Scheme documents with Stock Exchange and period under consideration for valuation. b) Declaration/ details on any past defaults of listed debt obligations of the entities forming part of the Scheme | 3 | 75-97 |
| 4. | Report from the Audit Committee recommending the draft Scheme taking into consideration, inter alia, the valuation report at serial number 3 above. | 4 | 98-109 |
| 5. | Fairness opinion by Independent SEBI Registered Merchant Banker as per Para (A)(2)(d) of Part I of SEBI Master Circular. | 5 | 105-114 |
| 6. | Shareholding pattern of equity shares and/or preference shares or any other type of security involved in the Scheme of all the Companies pre and post Amalgamation / Arrangement as per the format provided under Regulation 31 of the LODR Regulations | 6 | 115-287 |
| 7. | Shareholding pattern of all the Companies pre and post Amalgamation / Arrangement in Word Format | 7 | 288-295 |

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| 8. | Pre and Post Amalgamation/ Arrangement number of Shareholders in all the companies | 8 | 296298 |
| 9. | Audited Standalone and Consolidated financials of the transferee/resulting and transferor/demerged companies for the last 3 financial years (financials not being more than 6 months old of unlisted company) | 9 | 299-1228 |
| 10. | Statutory Auditor's Certificate confirming the compliance of the accounting treatment etc. as specified in Para (A)(5) of Part I of SEBI Master Circular. | 10 | 1229-1258 |
| 11. | Detailed Compliance Report as per SEBI Master Circular duly certified by the Company Secretary, Chief Financial Officer and the Managing Director, confirming compliance with each regulatory requirements specified for Schemes of arrangement and all accounting standards as per Para (A)(2)(h) of Part I of SEBI Master Circular. | 11 | 1259-1260 |
| 12. | Report from the Committee of Independent Directors recommending the draft Scheme as per Para (A)(2)(i) of Part I of SEBI Master Circular | 12 | 1261-1270 |
| 13. | Complaint report as per SEBI Master Circular (To be submitted within 7 days of expiry of 21 days from the date of uploading of draft Scheme and related documents on Exchange's website). | To be submitted later | |
| 14. | If as per the company, approval from the Public shareholders through e-voting, as required under Para (A)(10)(a) of Part I of SEBI Master Circular, is not applicable then as required under Part I (A) (10)(c) of said SEBI circular, submit the following: a) An undertaking certified by the auditor clearly stating the reasons for non-applicability of Para 10(a). b) Certified copy of Board of Director's resolution approving the aforesaid auditor certificate. | Applicable | |
| 15. | If pursuant to Scheme the allotment of shares is proposed to be made to a selected group of shareholders or to the shareholders of unlisted companies, pricing certificate from the Statutory Auditor / Practicing CA / Practicing CS of the listed company as per Provisions of SEBI (ICDR) Regulations is to be provided. | | |
| 16. | Name of the Designated Stock Exchange (DSE) for the purpose of coordinating with SEBI. Certified true copy of the resolution passed by the Board of Directors, in case BSE is DSE. | Refer Point 1 | |
| 17. | Brief details of the transferee/resulting and transferor/demerged companies | | |
| 18. | Brief details of the Board of Directors and Promoters of transferee/resulting and transferor/demerged companies | | |
| 19. | Net-worth certificate from Auditor / PCA/ PCS (excluding Revaluation Reserve) together with related workings pre and post Scheme for all the entities involved in the Scheme. | | |
| 20. | Capital evolution details of the transferee/resulting and | | |

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| | transferor/demerged companies | | |
| 21. | Confirmation by the Managing Director/ Company Secretary | | |
| 22. | Annual Reports of all the listed transferee/resulting/demerged/etc. companies involved and audited financial of all the unlisted transferor/demerged/resulting/etc. companies for the last financial year. | | |
| 23. | <p>a) Processing fee (non-refundable) will be payable to BSE as below, through <u>Online Payment Gateway (via Net Banking Facility)</u>.</p> <p>Details of UTRN, TDS and GST paid wrt the payment made as per the following format:</p> <p>Rs.4,00,000/- plus GST as applicable for Main Board Companies.</p> <p>Rs.2,00,000/- plus GST as applicable for SME Companies.</p> <p>b) Processing fee (non-refundable) payable to SEBI will be as below, through RTGS/NEFT/IMPS as per details given in <u>Annexure XII</u> or through DD <u>favoring 'Securities and Exchange Board of India' payable at Mumbai'</u></p> <p>As per amendment in Regulation 37, the listed entity shall pay a fee to SEBI at the rate of 0.1% of the paid-up share capital of the listed / transferee / resulting company, whichever is higher, post sanction of the proposed Scheme, subject to a cap of Rs.5,00,000.</p> <p>Additionally, Kindly provide the calculation of SEBI Fees and the details of payment as per the format prescribed</p> | | |
| 24. | In case of Scheme of demerger, additional documents are to be submitted | Not Applicable | |
| 25. | In case NCDs and/or NCRPS are proposed to be issued to the shareholders of the listed entity and are to be listed, the company shall submit an undertaking signed by CS / MD of the company as per format attached in <u>Annexure XIV</u> confirming compliance with the requirements Para (A)(12)(A) of Part I of SEBI Master Circular. | Not Applicable | |
| 26. | In case a new unlisted company is seeking listing pursuant to Scheme of arrangement but at least 25% of the post Scheme paid up capital of the unlisted company does not comprise of shares allotted to the public shareholders in the listed transferor / demerged entity, the company shall submit the compliance with the Proviso to Para (A)(1)(b) of Part II of SEBI Mater Circular by CS/MD and statutory auditor of the company. | Not Applicable | |
| 27. | If there are any pending dues / fines / penalties imposed by SEBI, Stock Exchanges and Depositories, submit a ' <u>Report on the Unpaid Dues</u> ' which shall contain the details of such unpaid dues in the format given as per SEBI Master circular which | | |

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| | [Note: In case there are no pending dues as mentioned above, please confirm the same] | | |
| 28. | <p>No objection certificate (NOC) from lending scheduled commercial banks/ financial institutions/ debenture trustees (not less than 75% of the secured creditors in value).</p> <p>OR</p> <p>An undertaking from the listed entity signed by Managing Director/ Company Secretary/ Compliance Officer stating that:</p> <p>We hereby confirm that we have initiated the process of obtaining the No Objection Certificate from the lending scheduled commercial banks/financial institutions/debenture trustees as required under Para A (2) (k) of Part I of SEBI Master Circular dated June 20, 2023 and we shall submit the same with the Exchange before the receipt of the No-objection letter from stock exchange in terms of Regulation 37(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p> | | |
| 29. | <p>Undertaking to be confirmed by the listed company/resulting company that:</p> <p>(i) The transferee entity/resulting company will not issue/reissue shares not covered under the draft Scheme.</p> <p>(ii) As on date of application there are no outstanding Warrants/instruments/agreements which give right to any person to take the equity shares in the transferee entity at any future date. In case there are such outstanding instrument, kindly provide details and also provide the shareholding pattern of the listed entity/resulting company on fully diluted basis</p> | | |
| 30. | <p>Details to be submitted by the company in case of demerger where there is no change in shareholding pattern of Demerged company and the Resulting company :</p> <p>In case of Scheme of demerger wherein mirror image is created in the resulting company, following standard information to be submitted by the listed company:</p> <ol style="list-style-type: none"> 1) Details of assets, liability, revenue and net worth of the companies involved in the Scheme, both pre and post Scheme of arrangement 2) Assets, liability, revenue and net worth of the demerged undertaking along with a write up on the history of the demerged undertaking 3) Comparison of revenue and net worth of demerged undertaking with the total revenue and net worth of the listed/demerged entity in last three financial years. | Not Applicable | |

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| | 4) Detailed rationale for arriving at the swap ratio for issuance of shares as proposed in the draft Scheme of arrangement. Such information to be certified by Auditor of the company / PCA/PCS. | | |
| 31. | Annual Report for the last 3 financial years for all unlisted companies involved in the Scheme. | | |
| 32. | NOC/Clearance from the respective sectorial regulators, if any sectorial regulators approval is applicable to the any of the company involved in the Scheme. Also confirm status of the approval. If not applicable, all the companies involved in the Scheme are requested to provide an undertaking confirming the same. | Not Applicable | |
| 33. | Prior history of any Scheme of arrangement concerning the Company | | |
| 34. | Please confirm that the proposed Scheme of Arrangement is in accordance with the MoA & AoA of the Companies involved in the Scheme of arrangement. | | |
| 35. | Kindly submit non- applicability certificate of the requirements of the corporate governance, if required. | Not Applicable | |
| 36. | Name: Md Iquebal Ahmad Designation: Company Secretary and Compliance officer Telephone Nos. (landline & mobile): +91 9717096729 Email ID: iquebal.ahmad@sheelafoam.com | | |

Note:

- 1) In addition to compliance with the requirements of SEBI (LODR) Regulations / SEBI circulars on scheme and other statutory requirements, the listed entity shall also comply with the following requirements:
 - a. In case of merger of an unlisted company or a division of unlisted company with the listed transferee company, the transferee company should have a minimum paid up capital of Rs.3 crores post scheme of arrangement / amalgamation.
 - b. In case a listed company merges with an unlisted company or division of a listed company is hived off into an unlisted company and the unlisted company applies for listing to BSE, the transferee / resulting company should have a minimum paid up capital of Rs.3 crores post scheme of amalgamation / arrangement.
- 2) All pages of the documents/details provided should be serially numbered, stamped and certified by the authorized signatory of the company.
- 3) In case of schemes of arrangement involving merger of **wholly owned subsidiary** or its division with its holding company, following documents are to be submitted vide email to "bse.schemes@bseindia.com" mentioning company name as subject, for dissemination on the Exchange's website:
 - a) Covering letter for dissemination of draft scheme on the Exchange website, under Regulation 37(6) of the SEBI (LODR), Regulations, 2015 inter alia confirming that schemes of arrangement involving merger of wholly owned subsidiary or its division with its holding company.
 - b) Certified true copy of Board of Director's resolution from all the entities involved in the scheme approving the draft scheme of amalgamation of WOS or its division with its holding company.

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- c) Certified true copy of Draft scheme.
- d) Processing fee (non-refundable) of Rs. 25,000/- plus GST, as applicable payable to BSE, through RTGS- Details given in **Annexure XII**

Kindly also submit one additional set of the documents at sr. nos. 2 to 12 separately (hard copy as well as soft copy emailed to "bse.schemes@bseindia.com" mentioning company name as subject, for uploading on the Exchange website).

The Exchange reserves the right to modify and ask for additional documents / clarifications depending on a case to case basis. Approval for the proposed scheme will be subject to compliance with the Statutory/ Regulatory requirements, norms of the Board of Directors of the Exchange and other Exchange requirements.



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CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF M/S. KURLON ENTERPRISE LIMITED AT THEIR MEETING HELD ON THURSDAY, 28TH DAY OF MARCH, 2024 AT INNOVATION CENTRE, KURLON FACTORY, JALAHALLI, CAMP ROAD, YESHWANTHPUR, BANGALORE -560022 AT 12.00 P.M. (IST) THROUGH VIDEO CONFERENCE (VC) OR OTHER AUDIO VISUAL MEANS (OAVM)

APPROVAL OF THE COMPOSITE SCHEME OF ARRANGEMENT AMONGST BELVEDORE INTERNATIONAL LIMITED, KANVAS CONCEPTS PRIVATE LIMITED, KURLON RETAIL LIMITED, KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED, STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED, KURLON ENTERPRISE LIMITED AND SHEELA FOAM LIMITED

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), the rules and regulations made thereunder and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company and subject to the necessary approvals/consents/sanctions and permissions of the shareholders and/or creditors of the Company, if and to the extent required, and subject to the sanction of the National Company Law Tribunal (the "NCLT/Tribunal") or such other competent authority, as may be applicable or any other appropriate authority under the applicable provisions of the Act, the consent of the Board of Directors of the Company (the "Board") be and is hereby accorded to the Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company" or "Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company") and their respective shareholders and creditors (the "Scheme") as defined in the Scheme, in the present form or with such alterations/modifications as may be approved or imposed or directed by the Tribunal or any statutory/regulatory authorities as per the terms and conditions mentioned in the Scheme placed before the Board and initialed by the Director for the purpose of identification."

"RESOLVED FURTHER THAT the Valuation Report/ Share Swap Ratio Report dated 28th March, 2024 submitted by Mr. Arunesh Kumar Dubey, Registered Valuer (Registration No. IBBI/RV/03/2020/12786), report submitted by the Audit Committee dated 28th March, 2024 recommending the draft Scheme and certificates from Statutory Auditors of the Amalgamating Company regarding Accounting Treatment stated in the Scheme are placed before the Board, be and are hereby considered, noted and accepted."

"RESOLVED FURTHER THAT unless required or not dispensed with by the NCLT, as the case may be, NCLT convened meeting of the creditors and/ or members of the Company be convened in terms of the directions as may be issued by the NCLT."

"RESOLVED FURTHER THAT in consideration of merger of the Amalgamating Company into the Amalgamated Company, the following swap ratio is recommended by Mr. Arunesh Kumar Dubey, Registered Valuer (Registration No. IBBI/RV/03/2020/12786) hereby approved:

- 52 equity shares (face value of Rs. 5/- to be issued per share) of the Amalgamated Company to be issued for every 100 equity shares (face value of Rs. 5/- per share) of the Amalgamating Company.

**MONU
KUMAR**

Digitally signed by MONU KUMAR
DN: c=IN, o=Personal,
postalCode=562162, st=Karnataka,
serialNumber=B9BD83FE2FC735760BE1
684CS2D3A4F287C6A467DAE01FF0F52
D0CAFE5C69C5, cn=MONU KUMAR
Date: 2024.04.09 09:33:51 +05'30'

Kurl-on Enterprise Ltd

Regd: No. 1002/1006, The Avenue, International Airport, Opp. Hotel Leela, Andheri (East), Mumbai - 400059. ☎ 022-28265686/88/89 (CIN: U36101MH2011PLC222657)

Corporate Office: Jai Bharat Industrial Area, Jalahalli, Camp Road, Muniswara Nagar, Yeswanthpur, Bangalore - 560 022. ☎ +91 8150000103 | www.kurlon.com

"RESOLVED FURTHER THAT aforesaid swap ratio would be suitably adjusted for consolidation/ sub-division/ stock split/ any other corporate action, subject to approval of the said action by the shareholders in accordance with applicable provisions of the Companies Act, 2013."

RESOLVED FURTHER THAT in the opinion of the Board, the said Scheme will be of advantage and beneficial to the Company and its shareholders, creditors and other stakeholders and that the terms thereof are fair and reasonable.

"RESOLVED FURTHER THAT the necessary applications with regard to the above be made to government, judicial, quasi-judicial and other statutory authorities or any regulatory authority or any other body or agency, in relation to seeking relevant regulatory approvals or sanctions to the Scheme and any other approvals required in connection with the Scheme."

RESOLVED FURTHER THAT Mr. Abhilash Kamti, Chief Financial Officer, Mr. Jayaram Hegde, Head-F&A and Mr. Monu Kumar, Company Secretary (hereinafter refer to as Authorized Persons of the Amalgamating Company) be and are hereby severally authorized on behalf of the Amalgamating Company to sign all documentation and further to take all actions as may be necessary under Companies Act, 2013 (including statutory modification(s) or re-enactment thereof for the time being in force), the applicable Rules thereunder, and any other legislation, to implement the aforesaid Scheme and in particular:

- i. to make application along with Scheme and other relevant information/ documents with the concerned regulatory authorities (including SEBI and Stock Exchanges), shareholders, creditors, lenders or any other person to obtain prior approval/ consent to the Scheme including but not limited to any other statutory body;
- ii. to verify, sign and file applications, petitions, pleadings, affidavits, Vakalatnama and other relevant documents to the jurisdictional NCLT, or any other statutory authorities for seeking directions to dispense with the requirement of holding meeting(s) of shareholders/ creditors of the Amalgamated Company or take necessary steps to convene such meetings if not dispensed with, and for obtaining the sanction of the jurisdictional NCLT, to the Scheme;
- iii. to sign and issue advertisements/ notices to the stakeholders or any other person as per the directions of the jurisdictional NCLT;
- iv. to finalize the notice of shareholder's meeting or postal ballot in relation to approval of proposed Scheme by shareholders and appointment of scrutinizer for conducting the postal ballot process in fair and transparent manner;
- v. to make such alterations and changes and/ or modifications in the aforesaid applications/ petitions, Scheme or any other documents as may be expedient and necessary for satisfying the requirements and conditions imposed, if any, by the jurisdictional NCLT, or any statutory authority, or to communicate/ correspond with stakeholders including banks, local authorities, etc. and to do all such acts, deeds, matters and things for putting the Scheme into effect;
- vi. to engage lawyers, chartered accountants or any other consultants in connection with implementation of Scheme;
- vii. to obtain the certified copy of order passed by the jurisdictional NCLT, and file the same with the concerned Registrar of Companies, respective offices of Collector of Stamps for adjudication of stamp duty at applicable rates in force, and other statutory authorities;
- viii. to make representation before the jurisdictional NCLT, any regulatory authorities including but not limited to Central or State Government, Regional Director, Official Liquidator, Registrar of Companies, SEBI/ Stock Exchanges in connection with proposed Scheme and filing any letter, replies, documents or papers for and behalf of the Amalgamated Company;

**MONU
KUMAR**

Digitally signed by MONU KUMAR
DN: c=IN, o=Personal,
postalCode=562162, st=Karnataka,
serialNumber=B98DB3FE2FC7357608
E1684C52D3A4F287C6A467DAE01FF0
F52D0CAFEE5C69C5, cn=MONU
KUMAR
Date: 2024.04.09 09:34:12 +05'30

Kurl-on Enterprise Ltd

Regd. No. 1002/1006, The Avenue, International Airport, Opp. Hotel Leela, Andheri (East), Mumbai - 400059. ☎ 022-28265686/88/89 (CIN: U36101MH2011PLC222657)

Corporate Office: Jal Bharat Industrial Area, Jalahalli, Camp Road, Muniswara Nagar, Yeswanthpur, Bangalore - 560 022. ☎ +91 8150000103 | www.kurlon.com

- ix. to authorize officers of the Amalgamated Company and to do all such acts, deeds, matters and things as may be necessary, proper and expedient for effectuating and implementing the Scheme, including any directions for settling any question or doubt or difficulty whatsoever that may arise to give effect to the resolution or any other document that may then be deemed fit and to authorize/sub-delegate any of the aforementioned authorities in connection with Scheme to another person/lawyer/consultant;
- x. to represent the Amalgamated Company before any Competent Authority or other regulatory authorities including Central or State Government, Income Tax, Official Liquidator, Regional Director, Registrar of Companies, Reserve Bank of India, Government of India, SEBI/ Stock Exchanges and before all Courts of law or NCLT for the purpose of the proposed Scheme, signing and filing of all documents, deeds, applications, notices, petitions, affidavits and letters, to finalize and execute all necessary applications/documents/papers for and behalf of the Amalgamated Company and to do all such acts, deeds, matters and things necessary and convenient for all or any of the purposes aforesaid."

"RESOLVED FURTHER THAT Committee of the Board of Directors for Operations of the Amalgamating Company be and is hereby authorized to do all such acts, deeds, matters and things as may require, from time to time, in connection with above matter."

"RESOLVED FURTHER THAT the Common Seal of the Amalgamating Company, if any and to the extent required, be affixed to relevant documents, wherever deemed necessary, in accordance with the Articles of Association of the Amalgamating Company"

"RESOLVED FURTHER THAT a certified true copy of above resolutions may be forwarded wherever required, under the signature of any one of the directors or the Company Secretary of the Amalgamating Company."

Certified True Copy
For **KURLON ENTERPRISE LIMITED**

**MONU
KUMAR**

Digitally signed by MONU KUMAR
DN: c=IN, o=Personal, postalCode=562162,
st=Karnataka,
serialNumber=B9BD83FE2FC735760BE1684
C52D3A4F287C6A467DAE01FF0F52D0CAFE
E5C69C5, cn=MONU KUMAR
Date: 2024.04.09 09:34:28 +05'30'

**MONU KUMAR
COMPANY SECRETARY**



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF THE SHEELA FOAM LIMITED IN THE MEETING HELD ON THURSDAY 28TH MARCH, 2024 AT 4.00 PM THROUGH VIDEO CONFERENCE (VC)/OTHER AUDIO-VISUAL MEANS (OAVM)

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), the rules and regulations made thereunder and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modifications or any amendments thereto or any substitutions or any re-enactments thereof for the time being in force) and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company and subject to the necessary approvals/consents/sanctions and permissions of the shareholders and/or creditors of the Company, if and to the extent required, and subject to the sanction of the National Company Law Tribunal (the "NCLT/Tribunal"), Securities and Exchange Board of India ("SEBI"), Stock Exchanges or such other competent authority, as may be applicable or any other appropriate authority under the applicable provisions of the Act, the consent of the Board of Directors of the Company (the "Board") be and is hereby accorded to the Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company") and their respective shareholders and creditors (the "Scheme") as defined in the Scheme, in the present form or with such alterations/modifications as may be approved or imposed or directed by the Tribunal or any statutory/ regulatory authorities as per the terms and conditions mentioned in the Scheme placed before the Board and initialed by the Director for the purpose of identification."

"RESOLVED FURTHER THAT the Valuation Report/ Share Swap Ratio Report dated 28th March, 2024 submitted by Mr. Arunesh Kumar Dubey, Registered Valuer (Registration No. IBBI/RV/03/2020/12786), Fairness opinion dated 28th March, 2024 submitted by M/s Navigant Corporate Advisors Limited, SEBI Registered Category-I Merchant Banker (SEBI Registration INM000012243), report submitted by the Audit Committee and Committee of Independent Directors dated 28th March, 2024 recommending the draft Scheme and certificates from Statutory Auditors of the Amalgamated Company regarding Accounting Treatment stated in the Scheme are placed before the Board, be and are hereby considered, noted and accepted."

"RESOLVED FURTHER THAT unless required or not dispensed with by the NCLT, as the case may be, NCLT convened meeting of the creditors and/ or members of the Company be convened in terms of the directions as may be issued by the NCLT."

SHEELA FOAM LTD.

#14, Sleepwell Tower, Sector 135, Noida- 201301

Ph: Int-91(0)-120-4868400 • Fax: Int-91-(0)-120-4162282, 4162283 • Email: contactus@sheelafoam.com
Regd. Office: 604 Ashadeep, 9 Hailey Road, New Delhi-110001, India • Ph: Int-91(0)-11-23316875-76

Toll Free: 1800 103 6664 • www.sleepwellproducts.com • www.sheelafoam.com

CIN-L74899DL1971PLC005679



“RESOLVED FURTHER THAT in consideration of merger of the Amalgamating Company into the Amalgamated Company, the following swap ratio is recommended by Mr. Arunesh Kumar Dubey, Registered Valuer (Registration No. IBBI/RV/03/2020/12786) hereby approved:

- 52 equity shares (face value of Rs. 5/- to be issued per share) of the Amalgamated Company to be issued for every 100 equity shares (face value of Rs. 5/- per share) of the Amalgamating Company.

"RESOLVED FURTHER THAT aforesaid swap ratio would be suitably adjusted for consolidation/ sub-division/ stock split/ any other corporate action, subject to approval of the said action by the shareholders in accordance with applicable provisions of the Companies Act, 2013."

"RESOLVED FURTHER THAT the necessary applications with regard to the above be made to government, judicial, quasi-judicial and other statutory authorities or any regulatory authority or any other body or agency, in relation to seeking relevant regulatory approvals or sanctions to the Scheme and any other approvals required in connection with the Scheme."

"RESOLVED FURTHER THAT Mr. Rahul Gautam, Executive Chairman, Mr. Tushaar Gautam, Managing Director, Md Iqbal Ahmad, Company Secretary, Amit Kumar Gupta, Group Chief Financial Officer, of the Amalgamated Company, (hereinafter refer to as Authorised Persons of the Amalgamated Company) be and are hereby severally authorised on behalf of the Amalgamated Company to sign all documentation and further to take all actions as may be necessary under Companies Act, 2013 (including statutory modification(s) or re-enactment thereof for the time being in force), the applicable Rules thereunder, and any other legislation, to implement the aforesaid Scheme and in particular:

- i. to make application along with Scheme and other relevant information/ documents with the concerned regulatory authorities (including SEBI and Stock Exchanges), shareholders, creditors, lenders or any other person to obtain prior approval/ consent to the Scheme including but not limited to any other statutory body;
- ii. to verify, sign and file applications, petitions, pleadings, affidavits, Vakalatnama and other relevant documents to the jurisdictional NCLT, or any other statutory authorities for seeking directions to dispense with the requirement of holding meeting(s) of shareholders/ creditors of the Amalgamated Company or take necessary steps to convene such meetings if not dispensed with, and for obtaining the sanction of the jurisdictional NCLT, to the Scheme;
- iii. to sign and issue advertisements/ notices to the stakeholders or any other person as per the directions of the jurisdictional NCLT;
- iv. to finalize the notice of Shareholders Meeting in relation to approval of proposed Scheme by shareholders and appointment of scrutinizer for conducting the postal ballot process in fair and transparent manner;
- v. to make such alterations and changes and/ or modifications in the aforesaid applications/ petitions, Scheme or any other documents as may be expedient and

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- necessary for satisfying the requirements and conditions imposed, if any, by the jurisdictional NCLT, or any statutory authority, or to communicate/ correspond with stakeholders including banks, local authorities, etc. and to do all such acts, deeds, matters and things for putting the Scheme into effect;
- vi. to engage lawyers, chartered accountants or any other consultants in connection with implementation of Scheme;
 - vii. to obtain the certified copy of order passed by the jurisdictional NCLT, and file the same with the concerned Registrar of Companies, respective offices of Collector of Stamps for adjudication of stamp duty at applicable rates in force, and other statutory authorities;
 - viii. to make representation before the jurisdictional NCLT, any regulatory authorities including but not limited to Central or State Government, Regional Director, Official Liquidator, Registrar of Companies, SEBI/ Stock Exchanges in connection with proposed Scheme and filing any letter, replies, documents or papers for and behalf of the Amalgamated Company;
 - ix. to authorize officers of the Amalgamated Company and to do all such acts, deeds, matters and things as may be necessary, proper and expedient for effectuating and implementing the Scheme, including any directions for settling any question or doubt or difficulty whatsoever that may arise to give effect to the resolution or any other document that may then be deemed fit and to authorize/ sub-delegate any of the aforementioned authorities in connection with Scheme to another person/ lawyer/ consultant;
 - x. to represent the Amalgamated Company before any Competent Authority or other regulatory authorities including Central or State Government, Income Tax, Official Liquidator, Regional Director, Registrar of Companies, Reserve Bank of India, Government of India, SEBI/ Stock Exchanges and before all Courts of law or NCLT for the purpose of the proposed Scheme, signing and filing of all documents, deeds, applications, notices, petitions, affidavits and letters, to finalize and execute all necessary applications/documents/papers for and behalf of the Amalgamated Company and to do all such acts, deeds, matters and things necessary and convenient for all or any of the purposes aforesaid."

"RESOLVED FURTHER THAT Committee of the Board of Directors for Operations of the Amalgamated Company be and is hereby authorized to do all such acts, deeds, matters and things as may require, from time to time, in connection with above matter."

"RESOLVED FURTHER THAT BSE be and is hereby appointed as Designated Stock Exchange for the purpose of coordinating with Securities and Exchange Board of India in respect of the draft Scheme.

"RESOLVED FURTHER THAT the Common Seal of the Amalgamated Company, if any and to the extent required, be affixed to relevant documents, wherever deemed necessary, in accordance with the Articles of Association of the Amalgamated Company"

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CIN-L74899DL1971PLC005679



"RESOLVED FURTHER THAT a certified true copy of above resolutions may be forwarded wherever required, under the signature of any one of Directors or the Company Secretary of the Amalgamated Company"

For Sheela Foam Limited


Md. Iqbal Ahmad
(Company Secretary)
M. No. A20921



Date: 28.03.2024

Place: Noida

SHEELA FOAM LTD.

#14, Sleepwell Tower , Sector 135, Noida- 201301

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CIN-L74899DL1971PLC005679



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF M/S STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED AT THEIR MEETING HELD ON THURSDAY, THE 28TH DAY OF MARCH, 2024 AT N-301, III FLOOR, NORTH BLOCK, MANIPAL CENTRE 47 DICKENSON ROAD, BANGALORE 560042 AT 02: 00 P.M. (IST)

APPROVAL OF THE COMPOSITE SCHEME OF ARRANGEMENT AMONGST BELVEDORE INTERNATIONAL LIMITED, KANVAS CONCEPTS PRIVATE LIMITED, KURLON RETAIL LIMITED, KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED, STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED, KURLON ENTERPRISE LIMITED AND SHEELA FOAM LIMITED

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), the rules and regulations made thereunder and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company and subject to the necessary approvals/consents/sanctions and permissions of the shareholders and/or creditors of the Company, if and to the extent required, and subject to the sanction of the National Company Law Tribunal (the "NCLT/Tribunal") or such other competent authority, as may be applicable or any other appropriate authority under the applicable provisions of the Act, the consent of the Board of Directors of the Company (the "Board") be and is hereby accorded to the Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company" or "Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company") and their respective shareholders and creditors (the "Scheme") as defined in the Scheme, in the present form or with such alterations/modifications as may be approved or imposed or directed by the Tribunal or any statutory/regulatory authorities as per the terms and conditions mentioned in the Scheme placed before the Board and initialed by the Director for the purpose of identification."

"RESOLVED FURTHER THAT the Valuation Report/ Share Swap Ratio Report dated 28th March, 2024 submitted by Mr. Arunesh Kumar Dubey, Registered Valuer (Registration No. IBBI/RV/03/2020/12786) and certificates from Statutory Auditors of the Amalgamating Company regarding Accounting Treatment stated in the Scheme are placed before the Board, be and are hereby considered, noted and accepted."

"RESOLVED FURTHER THAT unless required or not dispensed with by the NCLT, as the case may be, NCLT convened meeting of the creditors and/ or members of the Company be convened in terms of the directions as may be issued by the NCLT."

"RESOLVED FURTHER THAT in consideration of merger of the Amalgamating Company into the Amalgamated Company, the following swap ratio is recommended by Mr. Arunesh Kumar Dubey, Registered Valuer (Registration No. IBBI/RV/03/2020/12786) hereby approved:

- 52 equity shares (face value of Rs. 5/- to be issued per share) of the Amalgamated Company to be issued for every 100 equity shares (face value of Rs. 5/- per share) of the Amalgamating

STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED

Regd. & Corporate Office: N-301, North Block, Manipal Centre, 47 Dickenson Road, Bangalore -560 042, Karnataka, India.
Email: info@starshipglobal.com | URL: starshipglobal.com | CIN: U36900KA2020PTC139535



Company.

"RESOLVED FURTHER THAT aforesaid swap ratio would be suitably adjusted for consolidation/ sub-division/ stock split/ any other corporate action, subject to approval of the said action by the shareholders in accordance with applicable provisions of the Companies Act, 2013."

RESOLVED FURTHER THAT in the opinion of the Board, the said Scheme will be of advantage and beneficial to the Company and its shareholders, creditors and other stakeholders and that the terms thereof are fair and reasonable.

"RESOLVED FURTHER THAT the necessary applications with regard to the above be made to government, judicial, quasi-judicial and other statutory authorities or any regulatory authority or any other body or agency, in relation to seeking relevant regulatory approvals or sanctions to the Scheme and any other approvals required in connection with the Scheme."

RESOLVED FURTHER THAT any Directors of the Company be and are hereby severally authorized on behalf of the Transferor Company 5 to sign all documentation and further to take all actions as may be necessary under Companies Act, 2013 (including statutory modification(s) or re-enactment thereof for the time being in force), the applicable Rules thereunder, and any other legislation, to implement the aforesaid Scheme and in particular:

- i. to make application along with Scheme and other relevant information/ documents with the concerned regulatory authorities (including SEBI and Stock Exchanges), shareholders, creditors, lenders or any other person to obtain prior approval/ consent to the Scheme including but not limited to any other statutory body;
- ii. to verify, sign and file applications, petitions, pleadings, affidavits, Vakalatnama and other relevant documents to the jurisdictional NCLT, or any other statutory authorities for seeking directions to dispense with the requirement of holding meeting(s) of shareholders/ creditors of the Transferor Company 5 or take necessary steps to convene such meetings if not dispensed with, and for obtaining the sanction of the jurisdictional NCLT, to the Scheme;
- iii. to sign and issue advertisements/ notices to the stakeholders or any other person as per the directions of the jurisdictional NCLT;
- iv. to finalize the notice of shareholder's meeting in relation to approval of proposed Scheme by shareholders
- v. to make such alterations and changes and/ or modifications in the aforesaid applications/ petitions, Scheme or any other documents as may be expedient and necessary for satisfying the requirements and conditions imposed, if any, by the jurisdictional NCLT, or any statutory authority, or to communicate/ correspond with stakeholders including banks, local authorities, etc. and to do all such acts, deeds, matters and things for putting the Scheme into effect;
- vi. to engage lawyers, chartered accountants or any other consultants in connection with implementation of Scheme;
- vii. to obtain the certified copy of order passed by the jurisdictional NCLT, and file the same with the concerned Registrar of Companies, respective offices of Collector of Stamps for adjudication of stamp duty at applicable rates in force, and other statutory authorities;
- viii. to make representation before the jurisdictional NCLT, any regulatory authorities including but not limited to Central or State Government, Regional Director, Official Liquidator, Registrar of Companies, SEBI/ Stock Exchanges in connection with proposed Scheme and filing any letter,

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replies, documents or papers for and behalf of the Transferor Company 5;

- ix. to authorize officers of the Transferor Company 5 and to do all such acts, deeds, matters and things as may be necessary, proper and expedient for effectuating and implementing the Scheme, including any directions for settling any question or doubt or difficulty whatsoever that may arise to give effect to the resolution or any other document that may then be deemed fit and to authorize/ sub-delegate any of the aforementioned authorities in connection with Scheme to another person/ lawyer/ consultant;
- x. to represent the Transferor Company before any Competent Authority or other regulatory authorities including Central or State Government, Income Tax, Official Liquidator, Regional Director, Registrar of Companies, Reserve Bank of India, Government of India, SEBI/ Stock Exchanges and before all Courts of law or NCLT for the purpose of the proposed Scheme, signing and filing of all documents, deeds, applications, notices, petitions, affidavits and letters, to finalize and execute all necessary applications/documents/papers for and behalf of the Amalgamated Company and to do all such acts, deeds, matters and things necessary and convenient for all or any of the purposes aforesaid."

"RESOLVED FURTHER THAT Committee of the Board of Directors for Operations of the Transferor Company 5 be and is hereby authorized to do all such acts, deeds, matters and things as may require, from time to time, in connection with above matter."

"RESOLVED FURTHER THAT the Common Seal of the Transferor Company 5, if any and to the extent required, be affixed to relevant documents, wherever deemed necessary, in accordance with the Articles of Association of the Transferor Company 5 "

"RESOLVED FURTHER THAT a certified true copy of above resolutions may be forwarded wherever required, under the signature of any one of the directors of the Transferor Company 5."

=====
//Certified True Copy//

For STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED

Ashish Pradhan



ASHISH VILAS PRADHAN
Director
DIN: 08630024

STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED

Regd. & Corporate Office: N-301, North Block, Manipal Centre, 47 Dickenson Road, Bangalore -560 042, Karnataka, India.
Email: info@starshipglobal.com | URL: starshipglobal.com | CIN: U36900KA2020PTC139535



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF THE BELVEDORE INTERNATIONAL LIMITED IN THE MEETING HELD ON THURSDAY 28TH MARCH, 2024 AT 09.30 AM THROUGH VIDEO CONFERENCE (VC)/OTHER AUDIO-VISUAL MEANS (OAVM)

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), the rules and regulations made thereunder and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company and subject to the necessary approvals/consents/sanctions and permissions of the shareholders and/or creditors of the Company, if and to the extent required, and subject to the sanction of the National Company Law Tribunal (the "NCLT/Tribunal") or such other competent authority, as may be applicable or any other appropriate authority under the applicable provisions of the Act, the consent of the Board of Directors of the Company (the "Board") be and is hereby accorded to the Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company" or "Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company") and their respective shareholders and creditors (the "Scheme") as defined in the Scheme, in the present form or with such alterations/modifications as may be approved or imposed or directed by the Tribunal or any statutory/ regulatory authorities as per the terms and conditions mentioned in the Scheme placed before the Board and initialed by the Director for the purpose of identification."

"RESOLVED FURTHER THAT the Valuation Report/ Share Swap Ratio Report dated 28th March, 2024 submitted by Mr. Arunesh Kumar Dubey, Registered Valuer (Registration No. IBBI/RV/03/2020/12786) and certificates from Statutory Auditors of the Amalgamating Company regarding Accounting Treatment stated in the Scheme are placed before the Board, be and are hereby considered, noted and accepted."

"RESOLVED FURTHER THAT unless required or not dispensed with by the NCLT, as the case may be, NCLT convened meeting of the creditors and/ or members of the Company be convened in terms of the directions as may be issued by the NCLT."

"RESOLVED FURTHER THAT in consideration of merger of the Amalgamating Company into the Amalgamated Company, the following swap ratio is recommended by Mr. Arunesh Kumar Dubey, Registered Valuer (Registration No. IBBI/RV/03/2020/12786) hereby approved:

- 52 equity shares (face value of Rs. 10/- to be issued per share) of the Amalgamated Company to be issued for every 100 equity shares (face value of Rs. 10/- per share) of the Amalgamating Company.

"RESOLVED FURTHER THAT aforesaid swap ratio would be suitably adjusted for consolidation/ sub-division/ stock split/ any other corporate action, subject to approval of the said action by the shareholders in accordance with applicable provisions of the Companies Act, 2013."

"RESOLVED FURTHER THAT in the opinion of the Board, the said Scheme will be of advantage and beneficial to the Company and its shareholders, creditors and other stakeholders and that the terms thereof are fair and reasonable."

"RESOLVED FURTHER THAT the necessary applications with regard to the above be made to government, judicial, quasi-judicial and other statutory authorities or any regulatory authority or any other body or agency, in relation to seeking relevant regulatory approvals or sanctions to the Scheme and any other approvals required in connection with the Scheme."



"RESOLVED FURTHER THAT any Directors of the Company be and are hereby severally authorized on behalf of the Transferor Company 1 to sign all documentation and further to take all actions as may be necessary under Companies Act, 2013 (including statutory modification(s) or re-enactment thereof for the time being in force), the applicable Rules thereunder, and any other legislation, to implement the aforesaid Scheme and in particular:

- i. to make application along with Scheme and other relevant information/ documents with the concerned regulatory authorities (including SEBI and Stock Exchanges), shareholders, creditors, lenders or any other person to obtain prior approval/ consent to the Scheme including but not limited to any other statutory body;
- ii. to verify, sign and file applications, petitions, pleadings, affidavits, Vakalatnama and other relevant documents to the jurisdictional NCLT, or any other statutory authorities for seeking directions to dispense with the requirement of holding meeting(s) of shareholders/ creditors of the Transferor Company 1 or take necessary steps to convene such meetings if not dispensed with, and for obtaining the sanction of the jurisdictional NCLT, to the Scheme;
- iii. to sign and issue advertisements/ notices to the stakeholders or any other person as per the directions of the jurisdictional NCLT;
- iv. to finalize the notice of shareholder's meeting in relation to approval of proposed Scheme by shareholders
- v. to make such alterations and changes and/ or modifications in the aforesaid applications/ petitions, Scheme or any other documents as may be expedient and necessary for satisfying the requirements and conditions imposed, if any, by the jurisdictional NCLT, or any statutory authority, or to communicate/ correspond with stakeholders including banks, local authorities, etc. and to do all such acts, deeds, matters and things for putting the Scheme into effect;
- vi. to engage lawyers, chartered accountants or any other consultants in connection with implementation of Scheme;
- vii. to obtain the certified copy of order passed by the jurisdictional NCLT, and file the same with the concerned Registrar of Companies, respective offices of Collector of Stamps for adjudication of stamp duty at applicable rates in force, and other statutory authorities;
- viii. to make representation before the jurisdictional NCLT, any regulatory authorities including but not limited to Central or State Government, Regional Director, Official Liquidator, Registrar of Companies, SEBI/ Stock Exchanges in connection with proposed Scheme and filing any letter, replies, documents or papers for and behalf of the Transferor Company 1;
- ix. to authorize officers of the Transferor Company 1 and to do all such acts, deeds, matters and things as may be necessary, proper and expedient for effectuating and implementing the Scheme, including any directions for settling any question or doubt or difficulty whatsoever that may arise to give effect to the resolution or any other document that may then be deemed fit and to authorize/ sub-delegate any of the aforementioned authorities in connection with Scheme to another person/ lawyer/ consultant;
- x. to represent the Transferor Company 1 before any Competent Authority or other regulatory authorities including Central or State Government, Income Tax, Official Liquidator, Regional Director, Registrar of Companies, Reserve Bank of India, Government of India, SEBI/ Stock Exchanges and before all Courts of law or NCLT for the purpose of the proposed Scheme, signing and filing of all documents, deeds, applications, notices, petitions, affidavits and letters, to finalize and execute all necessary applications/documents/papers for and behalf of the Amalgamated Company and to do all such acts, deeds, matters and things necessary and convenient for all or any of the purposes aforesaid."

"RESOLVED FURTHER THAT Committee of the Board of Directors for Operations of the Transferor Company 1 be and is hereby authorized to do all such acts, deeds, matters and things as may require, from time to time, in connection with above matter."



"RESOLVED FURTHER THAT the Common Seal of the Transferor Company 1, if any and to the extent required, be affixed to relevant documents, wherever deemed necessary, in accordance with the Articles of Association of the Transferor Company 1"

"RESOLVED FURTHER THAT a certified true copy of above resolutions may be forwarded wherever required, under the signature of any one of the directors of the Transferor Company 1."

For Belvedere International Limited



Amit Kumar Gupta

Director

DIN: 01436743



Date: April 04, 2024

Place: New Delhi

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF THE KURLON RETAIL LIMITED IN THE MEETING HELD ON THURSDAY 28TH MARCH, 2024 AT 01.30 PM THROUGH VIDEO CONFERENCE (VC)/OTHER AUDIO-VISUAL MEANS (OAVM)

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), the rules and regulations made thereunder and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company and subject to the necessary approvals/consents/sanctions and permissions of the shareholders and/or creditors of the Company, if and to the extent required, and subject to the sanction of the National Company Law Tribunal (the "NCLT/Tribunal") or such other competent authority, as may be applicable or any other appropriate authority under the applicable provisions of the Act, the consent of the Board of Directors of the Company (the "Board") be and is hereby accorded to the Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company" or "Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company") and their respective shareholders and creditors (the "Scheme") as defined in the Scheme, in the present form or with such alterations/modifications as may be approved or imposed or directed by the Tribunal or any statutory/ regulatory authorities as per the terms and conditions mentioned in the Scheme placed before the Board and initialed by the Director for the purpose of identification."

"RESOLVED FURTHER THAT the Valuation Report/ Share Swap Ratio Report dated 28th March, 2024 submitted by Mr. Arunesh Kumar Dubey, Registered Valuer (Registration No. IBBI/RV/03/2020/12786) and certificates from Statutory Auditors of the Amalgamating Company regarding Accounting Treatment stated in the Scheme are placed before the Board, be and are hereby considered, noted and accepted."

"RESOLVED FURTHER THAT unless required or not dispensed with by the NCLT, as the case may be, NCLT convened meeting of the creditors and/ or members of the Company be convened in terms of the directions as may be issued by the NCLT."

"RESOLVED FURTHER THAT in consideration of merger of the Amalgamating Company into the Amalgamated Company, the following swap ratio is recommended by Mr. Arunesh Kumar Dubey, Registered Valuer (Registration No. IBBI/RV/03/2020/12786) hereby approved:

- 52 equity shares (face value of Rs. 5/- to be issued per share) of the Amalgamated Company to be issued for every 100 equity shares (face value of Rs. 5/- per share) of the Amalgamating Company.

"RESOLVED FURTHER THAT aforesaid swap ratio would be suitably adjusted for consolidation/ sub-division/ stock split/ any other corporate action, subject to approval of the said action by the shareholders in accordance with applicable provisions of the Companies Act, 2013."

“RESOLVED FURTHER THAT in the opinion of the Board, the said Scheme will be of advantage and beneficial to the Company and its shareholders, creditors and other stakeholders and that the terms thereof are fair and reasonable.

"RESOLVED FURTHER THAT the necessary applications with regard to the above be made to government, judicial, quasi-judicial and other statutory authorities or any regulatory authority or any other body or agency, in relation to seeking relevant regulatory approvals or sanctions to the Scheme and any other approvals required in connection with the Scheme."

“RESOLVED FURTHER THAT any Directors of the Company be and are hereby severally authorized on behalf of the Transferor Company 3 to sign all documentation and further to take all actions as may be necessary under Companies Act, 2013 (including statutory modification(s) or re-enactment thereof for the time being in force), the applicable Rules thereunder, and any other legislation, to implement the aforesaid Scheme and in particular:

- i. to make application along with Scheme and other relevant information/ documents with the concerned regulatory authorities (including SEBI and Stock Exchanges), shareholders, creditors, lenders or any other person to obtain prior approval/ consent to the Scheme including but not limited to any other statutory body;
- ii. to verify, sign and file applications, petitions, pleadings, affidavits, Vakalatnama and other relevant documents to the jurisdictional NCLT, or any other statutory authorities for seeking directions to dispense with the requirement of holding meeting(s) of shareholders/ creditors of the Transferor Company 3 or take necessary steps to convene such meetings if not dispensed with, and for obtaining the sanction of the jurisdictional NCLT, to the Scheme;
- iii. to sign and issue advertisements/ notices to the stakeholders or any other person as per the directions of the jurisdictional NCLT;
- iv. to finalize the notice of shareholder's meeting in relation to approval of proposed Scheme by shareholders
- v. to make such alterations and changes and/ or modifications in the aforesaid applications/ petitions, Scheme or any other documents as may be expedient and necessary for satisfying the requirements and conditions imposed, if any, by the jurisdictional NCLT, or any statutory authority, or to communicate/ correspond with stakeholders including banks, local authorities, etc. and to do all such acts, deeds, matters and things for putting the Scheme into effect;
- vi. to engage lawyers, chartered accountants or any other consultants in connection with implementation of Scheme;
- vii. to obtain the certified copy of order passed by the jurisdictional NCLT, and file the same with the concerned Registrar of Companies, respective offices of Collector of Stamps for adjudication of stamp duty at applicable rates in force, and other statutory authorities;
- viii. to make representation before the jurisdictional NCLT, any regulatory authorities including but not limited to Central or State Government, Regional Director, Official Liquidator, Registrar of Companies, SEBI/ Stock Exchanges in connection with proposed Scheme and filing any letter, replies, documents or papers for and behalf of the Transferor Company 3;
- ix. to authorize officers of the Transferor Company 3 and to do all such acts, deeds, matters and things as may be necessary, proper and expedient for effectuating and implementing the Scheme, including any directions for settling any question or doubt or difficulty whatsoever that may arise to give effect

to the resolution or any other document that may then be deemed fit and to authorize/ sub-delegate any of the aforementioned authorities in connection with Scheme to another person/ lawyer/ consultant;
x. to represent the Transferor Company 3 before any Competent Authority or other regulatory authorities including Central or State Government, Income Tax, Official Liquidator, Regional Director, Registrar of Companies, Reserve Bank of India, Government of India, SEBI/ Stock Exchanges and before all Courts of law or NCLT for the purpose of the proposed Scheme, signing and filing of all documents, deeds, applications, notices, petitions, affidavits and letters, to finalize and execute all necessary applications/documents/papers for and behalf of the Amalgamated Company and to do all such acts, deeds, matters and things necessary and convenient for all or any of the purposes aforesaid."

"**RESOLVED FURTHER THAT** Committee of the Board of Directors for Operations of the Transferor Company 3 be and is hereby authorized to do all such acts, deeds, matters and things as may require, from time to time, in connection with above matter."

"**RESOLVED FURTHER THAT** the Common Seal of the Transferor Company 3, if any and to the extent required, be affixed to relevant documents, wherever deemed necessary, in accordance with the Articles of Association of the Transferor Company 3"

"**RESOLVED FURTHER THAT** a certified true copy of above resolutions may be forwarded wherever required, under the signature of any one of the directors of the Transferor Company 3."

For Kurlon Retail Limited


Amit Kumar Gupta

Director

DIN: 01436743



Date: April 04, 2024

Place: New Delhi

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF THE KANVAS CONCEPTS PRIVATE LIMITED IN THE MEETING HELD ON THURSDAY 28TH MARCH, 2024 AT 10.00 AM THROUGH VIDEO CONFERENCE (VC)/OTHER AUDIO-VISUAL MEANS (OAVM)

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), the rules and regulations made thereunder and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company and subject to the necessary approvals/consents/sanctions and permissions of the shareholders and/or creditors of the Company, if and to the extent required, and subject to the sanction of the National Company Law Tribunal (the "NCLT/Tribunal") or such other competent authority, as may be applicable or any other appropriate authority under the applicable provisions of the Act, the consent of the Board of Directors of the Company (the "Board") be and is hereby accorded to the Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company" or "Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company") and their respective shareholders and creditors (the "Scheme") as defined in the Scheme, in the present form or with such alterations/modifications as may be approved or imposed or directed by the Tribunal or any statutory/ regulatory authorities as per the terms and conditions mentioned in the Scheme placed before the Board and initialed by the Director for the purpose of identification."

"RESOLVED FURTHER THAT the Valuation Report/ Share Swap Ratio Report dated 28th March, 2024 submitted by Mr. Arunesh Kumar Dubey, Registered Valuer (Registration No. IBBI/RV/03/2020/12786) and certificates from Statutory Auditors of the Amalgamating Company regarding Accounting Treatment stated in the Scheme are placed before the Board, be and are hereby considered, noted and accepted."

"RESOLVED FURTHER THAT unless required or not dispensed with by the NCLT, as the case may be, NCLT convened meeting of the creditors and/ or members of the Company be convened in terms of the directions as may be issued by the NCLT."

"RESOLVED FURTHER THAT in consideration of merger of the Amalgamating Company into the Amalgamated Company, the following swap ratio is recommended by Mr. Arunesh Kumar Dubey, Registered Valuer (Registration No. IBBI/RV/03/2020/12786) hereby approved:

- 52 equity shares (face value of Rs. 10/- to be issued per share) of the Amalgamated Company to be issued for every 100 equity shares (face value of Rs. 10/- per share) of the Amalgamating Company.

"RESOLVED FURTHER THAT aforesaid swap ratio would be suitably adjusted for consolidation/ sub-division/ stock split/ any other corporate action, subject to approval of the said action by the shareholders in accordance with applicable provisions of the Companies Act, 2013."

Kanvas Concepts Private Limited | CIN : U74999KA2020PTC138867

N-301, 3rd Floor, North Block, Manipal Centre, Dickenson Road, Bangalore, Bangalore, Karnataka, India 560042.
E-mail : kcpl@de-canvas.com | Website : www.de-canvas.com

"RESOLVED FURTHER THAT in the opinion of the Board, the said Scheme will be of advantage and beneficial to the Company and its shareholders, creditors and other stakeholders and that the terms thereof are fair and reasonable.

"RESOLVED FURTHER THAT the necessary applications with regard to the above be made to government, judicial, quasi-judicial and other statutory authorities or any regulatory authority or any other body or agency, in relation to seeking relevant regulatory approvals or sanctions to the Scheme and any other approvals required in connection with the Scheme."

"RESOLVED FURTHER THAT any Directors of the Company be and are hereby severally authorized on behalf of the Transferor Company 2 to sign all documentation and further to take all actions as may be necessary under Companies Act, 2013 (including statutory modification(s) or re-enactment thereof for the time being in force), the applicable Rules thereunder, and any other legislation, to implement the aforesaid Scheme and in particular:

- i. to make application along with Scheme and other relevant information/ documents with the concerned regulatory authorities (including SEBI and Stock Exchanges), shareholders, creditors, lenders or any other person to obtain prior approval/ consent to the Scheme including but not limited to any other statutory body;
- ii. to verify, sign and file applications, petitions, pleadings, affidavits, Vakalatnama and other relevant documents to the jurisdictional NCLT, or any other statutory authorities for seeking directions to dispense with the requirement of holding meeting(s) of shareholders/ creditors of the Transferor Company 2 or take necessary steps to convene such meetings if not dispensed with, and for obtaining the sanction of the jurisdictional NCLT, to the Scheme;
- iii. to sign and issue advertisements/ notices to the stakeholders or any other person as per the directions of the jurisdictional NCLT;
- iv. to finalize the notice of shareholder's meeting in relation to approval of proposed Scheme by shareholders
- v. to make such alterations and changes and/ or modifications in the aforesaid applications/ petitions, Scheme or any other documents as may be expedient and necessary for satisfying the requirements and conditions imposed, if any, by the jurisdictional NCLT, or any statutory authority, or to communicate/ correspond with stakeholders including banks, local authorities, etc. and to do all such acts, deeds, matters and things for putting the Scheme into effect;
- vi. to engage lawyers, chartered accountants or any other consultants in connection with implementation of Scheme;
- vii. to obtain the certified copy of order passed by the jurisdictional NCLT, and file the same with the concerned Registrar of Companies, respective offices of Collector of Stamps for adjudication of stamp duty at applicable rates in force, and other statutory authorities;
- viii. to make representation before the jurisdictional NCLT, any regulatory authorities including but not limited to Central or State Government, Regional Director, Official Liquidator, Registrar of Companies, SEBI/ Stock Exchanges in connection with proposed Scheme and filing any letter, replies, documents or papers for and behalf of the Transferor Company 2;
- ix. to authorize officers of the Transferor Company 2 and to do all such acts, deeds, matters and things as may be necessary, proper and expedient for effectuating and implementing the Scheme, including any directions for settling any question or doubt or difficulty whatsoever that may arise to give effect

Kanvas Concepts Private Limited | CIN : U74999KA2020PTC138867

N-301, 3rd Floor, North Block, Manipal Centre, Dickenson Road, Bangalore, Bangalore, Karnataka, India 560042.
E-mail : kcpl@de-canvas.com | Website : www.de-canvas.com

to the resolution or any other document that may then be deemed fit and to authorize/ sub-delegate any of the aforementioned authorities in connection with Scheme to another person/ lawyer/ consultant;

x. to represent the Transferor Company 2 before any Competent Authority or other regulatory authorities including Central or State Government, Income Tax, Official Liquidator, Regional Director, Registrar of Companies, Reserve Bank of India, Government of India, SEBI/ Stock Exchanges and before all Courts of law or NCLT for the purpose of the proposed Scheme, signing and filing of all documents, deeds, applications, notices, petitions, affidavits and letters, to finalize and execute all necessary applications/documents/papers for and behalf of the Amalgamated Company and to do all such acts, deeds, matters and things necessary and convenient for all or any of the purposes aforesaid."

"RESOLVED FURTHER THAT Committee of the Board of Directors for Operations of the Transferor Company 2 be and is hereby authorized to do all such acts, deeds, matters and things as may require, from time to time, in connection with above matter."

"RESOLVED FURTHER THAT the Common Seal of the Transferor Company 2, if any and to the extent required, be affixed to relevant documents, wherever deemed necessary, in accordance with the Articles of Association of the Transferor Company 2"

"RESOLVED FURTHER THAT a certified true copy of above resolutions may be forwarded wherever required, under the signature of any one of the directors of the Transferor Company 2."

For **Kanvas Concepts Private Limited**



Amit Kumar Gupta

Director

DIN: 01436743



Date: April 04, 2024

Place: New Delhi

Kanvas Concepts Private Limited | CIN : U74999KA2020PTC138867

N-301, 3rd Floor, North Block, Manipal Centre, Dickenson Road, Bangalore, Bangalore, Karnataka, India 560042.

E-mail : kcpl@de-canvas.com | Website : www.de-canvas.com



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF THE KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED IN THE MEETING HELD ON THURSDAY 28TH MARCH, 2024 AT 10.30 AM THROUGH VIDEO CONFERENCE (VC)/OTHER AUDIO-VISUAL MEANS (OAVM)

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), the rules and regulations made thereunder and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company and subject to the necessary approvals/consents/sanctions and permissions of the shareholders and/or creditors of the Company, if and to the extent required, and subject to the sanction of the National Company Law Tribunal (the "NCLT/Tribunal") or such other competent authority, as may be applicable or any other appropriate authority under the applicable provisions of the Act, the consent of the Board of Directors of the Company (the "Board") be and is hereby accorded to the Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company" or "Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company") and their respective shareholders and creditors (the "Scheme") as defined in the Scheme, in the present form or with such alterations/modifications as may be approved or imposed or directed by the Tribunal or any statutory/ regulatory authorities as per the terms and conditions mentioned in the Scheme placed before the Board and initialed by the Director for the purpose of identification."

"RESOLVED FURTHER THAT the Valuation Report/ Share Swap Ratio Report dated 28th March, 2024 submitted by Mr. Arunesh Kumar Dubey, Registered Valuer (Registration No. IBBI/RV/03/2020/12786) and certificates from Statutory Auditors of the Amalgamating Company regarding Accounting Treatment stated in the Scheme are placed before the Board, be and are hereby considered, noted and accepted."

"RESOLVED FURTHER THAT unless required or not dispensed with by the NCLT, as the case may be, NCLT convened meeting of the creditors and/ or members of the Company be convened in terms of the directions as may be issued by the NCLT."

"RESOLVED FURTHER THAT in consideration of merger of the Amalgamating Company into the Amalgamated Company, the following swap ratio is recommended by Mr. Arunesh Kumar Dubey, Registered Valuer (Registration No. IBBI/RV/03/2020/12786) hereby approved:

- 52 equity shares (face value of Rs. 10/- to be issued per share) of the Amalgamated Company to be issued for every 100 equity shares (face value of Rs. 10/- per share) of the Amalgamating Company.

"RESOLVED FURTHER THAT aforesaid swap ratio would be suitably adjusted for consolidation/ sub-division/ stock split/ any other corporate action, subject to approval of the said action by the shareholders in accordance with applicable provisions of the Companies Act, 2013."



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“RESOLVED FURTHER THAT in the opinion of the Board, the said Scheme will be of advantage and beneficial to the Company and its shareholders, creditors and other stakeholders and that the terms thereof are fair and reasonable.”

“RESOLVED FURTHER THAT the necessary applications with regard to the above be made to government, judicial, quasi-judicial and other statutory authorities or any regulatory authority or any other body or agency, in relation to seeking relevant regulatory approvals or sanctions to the Scheme and any other approvals required in connection with the Scheme.”

“RESOLVED FURTHER THAT any Directors of the Company be and are hereby severally authorized on behalf of the Transferor Company 4 to sign all documentation and further to take all actions as may be necessary under Companies Act, 2013 (including statutory modification(s) or re-enactment thereof for the time being in force), the applicable Rules thereunder, and any other legislation, to implement the aforesaid Scheme and in particular:

- i. to make application along with Scheme and other relevant information/ documents with the concerned regulatory authorities (including SEBI and Stock Exchanges), shareholders, creditors, lenders or any other person to obtain prior approval/ consent to the Scheme including but not limited to any other statutory body;
- ii. to verify, sign and file applications, petitions, pleadings, affidavits, Vakalatnama and other relevant documents to the jurisdictional NCLT, or any other statutory authorities for seeking directions to dispense with the requirement of holding meeting(s) of shareholders/ creditors of the Transferor Company 4 or take necessary steps to convene such meetings if not dispensed with, and for obtaining the sanction of the jurisdictional NCLT, to the Scheme;
- iii. to sign and issue advertisements/ notices to the stakeholders or any other person as per the directions of the jurisdictional NCLT;
- iv. to finalize the notice of shareholder’s meeting in relation to approval of proposed Scheme by shareholders
- v. to make such alterations and changes and/ or modifications in the aforesaid applications/ petitions, Scheme or any other documents as may be expedient and necessary for satisfying the requirements and conditions imposed, if any, by the jurisdictional NCLT, or any statutory authority, or to communicate/ correspond with stakeholders including banks, local authorities, etc. and to do all such acts, deeds, matters and things for putting the Scheme into effect;
- vi. to engage lawyers, chartered accountants or any other consultants in connection with implementation of Scheme;
- vii. to obtain the certified copy of order passed by the jurisdictional NCLT, and file the same with the concerned Registrar of Companies, respective offices of Collector of Stamps for adjudication of stamp duty at applicable rates in force, and other statutory authorities;
- viii. to make representation before the jurisdictional NCLT, any regulatory authorities including but not limited to Central or State Government, Regional Director, Official Liquidator, Registrar of Companies, SEBI/ Stock Exchanges in connection with proposed Scheme and filing any letter, replies, documents or papers for and behalf of the Transferor Company 4;



ix. to authorize officers of the Transferor Company 4 and to do all such acts, deeds, matters and things as may be necessary, proper and expedient for effectuating and implementing the Scheme, including any directions for settling any question or doubt or difficulty whatsoever that may arise to give effect to the resolution or any other document that may then be deemed fit and to authorize/ sub-delegate any of the aforementioned authorities in connection with Scheme to another person/ lawyer/ consultant;
x. to represent the Transferor Company before any Competent Authority or other regulatory authorities including Central or State Government, Income Tax, Official Liquidator, Regional Director, Registrar of Companies, Reserve Bank of India, Government of India, SEBI/ Stock Exchanges and before all Courts of law or NCLT for the purpose of the proposed Scheme, signing and filing of all documents, deeds, applications, notices, petitions, affidavits and letters, to finalize and execute all necessary applications/documents/papers for and behalf of the Amalgamated Company and to do all such acts, deeds, matters and things necessary and convenient for all or any of the purposes aforesaid."

"RESOLVED FURTHER THAT Committee of the Board of Directors for Operations of the Transferor Company 4 be and is hereby authorized to do all such acts, deeds, matters and things as may require, from time to time, in connection with above matter."

"RESOLVED FURTHER THAT the Common Seal of the Transferor Company 4, if any and to the extent required, be affixed to relevant documents, wherever deemed necessary, in accordance with the Articles of Association of the Transferor Company 4"

"RESOLVED FURTHER THAT a certified true copy of above resolutions may be forwarded wherever required, under the signature of any one of the directors of the Transferor Company 4."

For Komfort Universe Products and Services Limited



Amit Kumar Gupta
Director

DIN: 01436743

Date: April 04, 2024

Place: New Delhi

**SCHEME OF ARRANGEMENT
BETWEEN**

**BELVEDORE INTERNATIONAL LIMITED
(TRANSFEROR COMPANY 1)**

AND

**KANVAS CONCEPTS PRIVATE LIMITED
(TRANSFEROR COMPANY 2)**

AND

**KURLON RETAIL LIMITED
(TRANSFEROR COMPANY 3)**

AND

**KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED
(TRANSFEROR COMPANY 4)**

AND

**STARSHIP VALUE CHAIN AND MANUFACTURING
PRIVATE LIMITED
(TRANSFEROR COMPANY 5)**

AND

**KURLON ENTERPRISE LIMITED
(TRANSFEREE COMPANY / AMALGAMATING COMPANY)**

AND

**SHEELA FOAM LIMITED
(AMALGAMATED COMPANY)**

AND



THEIR RESPECTIVE SHAREHOLDERS

(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)



PART A – GENERAL

1. DESCRIPTION OF COMPANIES THAT ARE PARTIES TO THE SCHEME

- 1.1 Belvedere International Limited (“**BIL**”) was incorporated as a public limited company on December 21, 2020, under the provisions of the Companies Act, 2013 with corporate identification number U52520KA2020PLC142418 and having its registered office¹ situated at N-301, 3rd Floor, North Block Manipal Centre 47 Dickenson Road, Bangalore, Bangalore, Karnataka, India, 560042 (“hereinafter referred to as **Transferor Company 1**”). BIL is wholly owned subsidiary of KEL. BIL is engaged in the business of buying, selling, reselling, importing, exporting, transporting, storing, promoting, marketing, manufacturing or supplying, trading, dealing in any manner whatsoever in all type of goods including mattresses, pillows, furniture and other related products and services of international brands on retail and B2B basis in India.
- 1.2 Kanvas Concepts Private Limited (“**KCPL**”) was incorporated as a private limited company on September 22, 2020, under the provisions of the Companies Act, 2013 with corporate identification number U74999KA2020PTC138867 and having its registered office² situated at N-301, 3rd Floor, North Block Manipal Centre 47 Dickenson Road, Bangalore, Bangalore, Karnataka, India, 560042 (“hereinafter referred to as **Transferor Company 2**”). KCPL is wholly owned subsidiary of KEL. KCPL is engaged in the business of interiors & exteriors of Homes, stage designer, furnishing, designing, decorating, renovating and remodeling of bungalows, houses, shops, show rooms, complexes, apartments, offices, hotels, restaurants and other commercials and residential houses and for the purpose to act as organizer, consultant, advisor, trader, buyer, seller, supervisor, surveyor, broker, agent and to do all other incidental acts and things necessary for the attainment of the above objects.
- 1.3 Kurlon Retail Limited (“**KRL**”) was incorporated as a public limited company on August 31, 2012, under the provisions of the Companies Act, 2013 with corporate identification number U36104KA2012PLC065664 and having its registered office³ situated at N-301, 3rd Floor, North

¹ **BIL** has initiated the process of shifting its registered office from the State of Karnataka to the State of Maharashtra. It is in the process of obtaining the requisite approvals in accordance with applicable provisions of the Companies Act, 2013. It may be noted that since the new registered office would be located in the State of Maharashtra, the jurisdictional NCLT for filing the application and petition pursuant to this Composite Scheme of Arrangement would be NCLT Mumbai.

² **KCPL** has initiated the process of shifting its registered office from the State of Karnataka to the State of Maharashtra. It is in the process of obtaining the requisite approvals in accordance with applicable provisions of the Companies Act, 2013. It may be noted that since the new registered office would be located in the State of Maharashtra, the jurisdictional NCLT for filing the application and petition pursuant to this Composite Scheme of Arrangement would be NCLT Mumbai.

³ **KRL** has initiated the process of shifting its registered office from the State of Karnataka to the State of Maharashtra. It is in the process of obtaining the requisite approvals in accordance with applicable provisions of the Companies Act, 2013. It may be noted that since the new registered office would be located in the State of



Block Manipal Centre 47 Dickenson Road, Bangalore, Bangalore, Karnataka, India, 560042 (“hereinafter referred to as **Transferor Company 3**”). KRL is wholly owned subsidiary of KEL. KRL is engaged in the business of buying, selling, storing, promoting, marketing, supplying, trading and dealing in mattresses, pillow, sofa and furniture on retail in India.

- 1.4 Komfort Universe Products and Services Limited (“**KUPSL**”) was incorporated as a public limited company on January 18, 2021, under the provisions of the Companies Act, 2013 with corporate identification number U52520KA2021PLC143244 and having its registered office⁴ situated at N-301, 3rd Floor, North Block Manipal Centre 47 Dickenson Road, Bangalore, Bangalore, Karnataka, India, 560042 (“hereinafter referred to as **Transferor Company 4**”). KUPSL is wholly owned subsidiary of KEL. KUPSL is engaged in the business of buying, selling, reselling, importing, exporting, transporting, storing, promoting, marketing, supplying, dealing and trading of semi-finished goods (SFG), foam products, RC Pads, EPE Products and other related products and services on B2B basis in India and outside India.
- 1.5 Starship Value Chain and Manufacturing Private Limited (“**SVC MPL**”) was incorporated as a private limited company on October 09, 2020, under the provisions of the Companies Act, 2013 with corporate identification number U36900KA2020PTC139535 and having its registered office⁵ situated at N-301, 3rd Floor, North Block Manipal Centre 47 Dickenson Road, Bangalore, Bangalore, Karnataka, India, 560042 (“hereinafter referred to as **Transferor Company 5**”). SVC MPL is wholly owned subsidiary of KEL. SVC MPL is engaged in the business as manufacturer, designers, buyers, sellers, importers, exporters, workers, transporters, suppliers of all types of home comfort products, home décor items including furniture, mattresses, pillows, cushions, perfumers on retail and manufacture of all types of furniture equipment appliances for domestic, office, industrial as well as on wholesale basis in India as well as outside India.
- 1.6 Kurlon Enterprise Limited (“**KEL**”) was incorporated as a public limited company on October 03, 2011, under the provisions of the Companies Act, 2013 with corporate identification number U36101MH2011PLC222657 and having its registered office situated at #1002/1006, The Avenue,

Maharashtra, the jurisdictional NCLT for filing the application and petition pursuant to this Composite Scheme of Arrangement would be NCLT Mumbai.

⁴ **KUPSL** has initiated the process of shifting its registered office from the State of Karnataka to the State of Maharashtra. It is in the process of obtaining the requisite approvals in accordance with applicable provisions of the Companies Act, 2013. It may be noted that since the new registered office would be located in the State of Maharashtra, the jurisdictional NCLT for filing the application and petition pursuant to this Composite Scheme of Arrangement would be NCLT Mumbai.

⁵ **SVC MPL** has initiated the process of shifting its registered office from the State of Karnataka to the State of Maharashtra. It is in the process of obtaining the requisite approvals in accordance with applicable provisions of the Companies Act, 2013. It may be noted that since the new registered office would be located in the State of Maharashtra, the jurisdictional NCLT for filing the application and petition pursuant to this Composite Scheme of Arrangement would be NCLT Mumbai.



International A Opp. Hotel Leela, Andheri (East), Mumbai, Maharashtra, India, 400059 (“hereinafter referred to as **Transferee Company**” or the **“Amalgamating Company”**). KEL is engaged in the business of manufacturing/trading in diverse areas such as rubberized coir, latex foam, polyurethane foam, bonded foam, pillows, spring mattresses, furniture, furnishings, sofas etc.

- 1.7 Sheela Foam Limited (“**SFL**”) was incorporated as a public limited company on May 18, 1971, under the provisions of the Companies Act, 2013 with corporate identification number L74899DL1971PLC005679 and having its registered office⁶ situated at 604 Ashadeep, 9 Hailey Road, New Delhi, New Delhi, Delhi, India, 110001 (“hereinafter referred to as **“Amalgamated Company”**”). The equity shares of SFL are listed on BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”) (collectively hereinafter referred to as **“Stock Exchanges”**). SFL is engaged in the business of manufacture flexible, semi-flexible and rigid Poly-Urethane Foam slabs and allied products and processing and fabrication thereof and mattresses and cushions upholstery material, manufacture of furniture; packing material and insulation material, moulding of rigid Poly- Urethane for various shapes and size and manufacture of jackets and such other items by way of lamination of Poly-Urethane Foam with fabric and manufacture of products that may be allied or may be usefully combined with manufacture of any of the material mentioned above.

2. OVERVIEW OF THE SCHEME

This Composite Scheme of Arrangement (“**Scheme**”) provides for (i) Amalgamation of Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4, Transferor Company 5 (collectively hereinafter referred to as the **Transferor Companies**), respectively into Transferee Company, with effect from the Appointed Date (as defined hereinafter) and the consequent dissolution of the Transferor Companies without being wound up and (ii) Amalgamation of Amalgamating Company with Amalgamated Company with effect from the Appointed Date (as defined hereinafter) and the consequent dissolution of the Amalgamating Company without being wound up; and issuance of the shares New Equity Shares (as defined hereinafter) to the equity shareholders of Amalgamating Company in accordance with Share Exchange Ratio (as defined hereinafter), pursuant to section 230-232, and other relevant provisions of the Companies Act, in the matter provided for in this Scheme and in compliance with the provisions of the Income Tax Act (as defined hereinafter) (“**Amalgamation**”).

⁶ SFL has initiated the process of shifting its registered office from the State of Delhi to the State of Maharashtra and has filed the requisite MCA forms before Regional Director, Northern Region. It is in the process of obtaining the requisite approval in accordance with applicable provisions of the Companies Act, 2013. It may be noted that since the new registered office would be located in the State of Maharashtra, the jurisdictional NCLT for filing the application and petition pursuant to this Composite Scheme of Arrangement would be NCLT Mumbai.



3. RATIONALE OF THE SCHEME

3.1 The rationale for the Composite Scheme of Amalgamation is set out below:

3.1.1 The Amalgamating Company, alongwith Transferor Companies, has been the second largest mattress manufacturer, with leadership position in southern and eastern parts of the country, apart from sizeable presence in other parts. Also, the Amalgamating Company is approximately 70-year-old company with a very strong brand.

The Board of Directors of the Amalgamated Company in its meeting held on July 17, 2023, had approved the acquisition of the Amalgamating Company, along with Transferor Companies, with a view to further strengthen the leadership position in the mattress and foam segments across the country.

The intent of acquisition of the Amalgamating Company, alongwith Transferor Companies was always to run all the companies, as one-operation going forward i.e. subsequently amalgamate the companies into a single entity.

The Scheme would *inter-alia* have the following benefits:

- (a) Procurement synergies arising on account of higher volume discounts, and ability to negotiate best possible prices;
- (b) Deeper manufacturing footprint, as materials of both the business can be made in any plant location, resulting in enhanced efficiency as well as reduction in servicing time;
- (c) Rationalization of logistic costs considering the combined volume;
- (d) Open-up the door for a new sales channel strategy, enhancing penetration/coverage and leading to better sales;
- (e) Structured, sharper and better management focusing on holistic growth of the businesses;
- (f) Optimum and efficient utilization of resources and sharing of ancillary facilities;
- (g) Common governance structure and effective management of compliances;
- (h) Enhancing shareholder value and leveraging on synergies in doing the business; and
- (i) Cost saving by way of reduction of overheads, administrative, managerial and other expenditure and to bring about operational rationalization and efficiency.

3.1.2 Given the above, and similarity in nature of businesses of the Transferor Companies, the Amalgamating Company and the Amalgamated Company, it is proposed to merge the Transferor Companies with Amalgamating Company (pursuant to Part C of this Scheme)



and

(post Part C comes into effect) merge the Amalgamating company with Amalgamated Company (pursuant to Part D of this Scheme). The merger shall result in greater business synergies and reduced administrative and other costs.

4. This Scheme is divided into following parts and further details thereunder:

- 4.1 **Part A** – Deals with the general description of the companies that are parties to the Scheme, overview of the Scheme and the rationale and benefits of the Scheme
- 4.2 **Part B** – Deals with the definitions and interpretations and sets out the share capital of the respective parties to the Scheme
- 4.3 **Part C** – Deals with the amalgamation of Transferor Companies with the Transferee Company
- 4.4 **Part D** – Deals with the amalgamation of Amalgamating Company with the Amalgamated Company
- 4.5 **Part E** – Deals with the general terms and conditions applicable to this Scheme

The Scheme also provides for various other matters consequential, incidental or otherwise integrally connected herewith.



PART B – DEFINITIONS, INTERPRETATIONS AND SHARE CAPITAL

5. DEFINITIONS

5.1 In this Part B of the Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- (a) **“Act” or “the Act” or “the Companies Act” or “the Companies Act, 2013”** means the Companies Act, 2013 and rules made thereunder or any statutory modification, amendment or re-enactment thereof;
- (b) **“Amalgamated Company”** shall have the meaning set forth in Clause 1.6;
- (c) **“Amalgamating Company”** or the **“Transferee Company”** shall have the meaning set forth in Clause 1.5;
- (d) **“Amalgamation”** shall have the meaning set forth in Clause 2.1;
- (e) **“Appointed Date”** means October 20, 2023, or such other date as may be approved by the Hon'ble NCLT;
- (f) **“Applicable Law”** means all applicable (a) statutes, enactments, acts of legislature or parliament, laws, ordinances, codes, rules, byc-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and/or jurisdiction; (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or governmental approvals of, or agreements with, any Governmental Authority or recognized stock exchange; and (c) international treaties, conventions and protocols, as may be in force from time to time;
- (g) **“Board of Directors”**, in relation to a Party, shall mean the Board of Directors of such Party, and shall include a committee of directors or any person authorized by such board of directors or such committee of directors;
- (h) **“Composite Scheme of Arrangement”** or **“this Scheme”** or **“the Scheme”** means this Scheme of Arrangement, pursuant to Section 230 to 232 and other applicable provisions of the Act, in its present form with such modifications and amendments as may be made in accordance with the terms thereof;
- (i) **“Effective Date”** means the date on which the certified copy/ies of the order/orders of the Tribunal sanctioning the Scheme is/are filed by the Parties with the Registrar of Companies



after the last of the approvals or events specified in Clause 38 of the Scheme are satisfied or have occurred or obtained or the requirement of which have been waived (in writing) in accordance with this Scheme. Reference in this Scheme to the date of "**coming into effect of this Scheme**" or "**coming into effect of the Scheme**" or "**effectiveness of this Scheme**" or "**effect of this Scheme**" or "**upon the Scheme becoming effective**" or "**the Scheme coming into effect**" shall mean the Effective Date;

- (j) "**Encumbrance**" or "**Encumbered**" means: (i) any mortgage, charge (whether fixed or floating), pledge, lien, negative lien, power of attorney (conferring power to create charge or security), agreement to create charge or security, any contractual restriction on ability to dispose assets, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law; (ii) a contract to give or refrain from giving any of the foregoing; (iii) any voting agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any Person; and (iv) any adverse claim as to title, possession or use;
- (k) "**Governmental Authority**" means any governmental or statutory or regulatory or administrative authority, government department, agency, commission, board, tribunal or court or other entity authorized to make laws, rules or regulations or pass directions, having or purporting to have jurisdiction over any state or other sub-division thereof or any municipality, district or other sub-division thereof having jurisdiction pursuant to the Applicable Law, including SEBI
- (l) "**Income Tax Act**" means the Income Tax Act, 1961, including any statutory modifications, enactments or amendments thereof for the time being in force;
- (m) "**New Equity Shares**" shall have the meaning set forth in Clause 27.1;
- (n) "**NCLT**" or "**The Tribunal**" shall mean the Hon'ble National Company Law Tribunal at Mumbai, having applicable jurisdiction;
- (o) "**Parties**" shall mean collectively, the Transferor Companies, the Amalgamating Company and the Amalgamated Company, and "**Party**" shall mean any one of them, as the case may be
- (p) "**Record Date**" means such date after the Effective Date as may be fixed by the Board of Directors of the Amalgamated Company for determining the equity shareholders of the



Amalgamating Company who will be allotted New Equity Shares of the Amalgamated Company pursuant to the Scheme being effective.

- (q) "**SEBI**" means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;
- (r) "**SEBI Circular**" means the circular issued by the SEBI, being Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 read with SEBI circular No. SEBI/HO/DDHS/DDHS-RACPODI/P/CIR/2022/156 dated November 17, 2022 and any amendments thereof issued pursuant to Regulations 11, 37, 59A, 94 and 94A of the SEBI LODR Regulations or any other circular(s) issued by SEBI with respect to scheme of amalgamation or arrangement;
- (s) "**SEBI LODR Regulations**" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- (t) "**Stock Exchanges**" means BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE") and any other recognized stock exchange, as the case may be.
- (u) "**Tax**" or "**Taxes**" means: (a) all forms of direct tax and indirect tax, surcharge, fee, levy, duty, tariff, charge, impost and other charges of any kind, withholding or other amount whenever or wherever created or imposed by, or payable to any tax authority; (b) all charges, interest, penalties and fines incidental or relating to any tax falling within (a) above or which arise as a result of the failure to pay any tax on the due date or to comply with any obligation relating to tax; and (c) all credits/refunds/benefits in relation to direct tax and indirect tax, surcharge, fee, levy, duty, tariff, charge, impost and other credits/refunds/benefits of any kind, withholding or other amount whenever or wherever entitled from any tax authority;
- (v) "**Transferor Companies**" shall have the meaning set forth in Clause 2.1, and "Transferor Company" shall mean any one of them, as the case may be;
- (w) "**Tribunal**" means the National Company Law Tribunal, Mumbai Bench and shall include, if applicable, such other forum or authority as may be vested with the powers of a National Company Law Tribunal under the Companies Act
- (x) "**Undertakings**" means and includes the whole of the business, undertakings, assets, properties, investments and all the liabilities of the Transferor Companies, of whatsoever nature and kind and wherever situated, on a going concern and with continuity of business of each of the Transferor Companies which shall mean and shall include (without limitation):

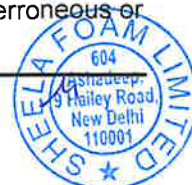


- All their assets and properties (tangible or intangible, moveable or immovable (if any), real or personal, corporeal or incorporeal, present, future or contingent) of the respective Transferor Companies, including, without being limited to, computers, equipment, offices and other premises, sundry debtors, furniture, fixtures, interiors, office equipment, accessories, deposits, all stocks, assets, investments of all kinds (including shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), cash balances or deposits with banks, loans, advances, contingent rights or benefits, book debts, receivables, Taxes paid, actionable claims, earnest moneys, margin moneys, security deposits, advances or deposits paid by the respective Transferor Companies, financial assets, leases (including but not limited to leasehold rights of the respective Transferor Companies), and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies or licenses in relation to the offices, fixed and other assets, intangible assets (including but not limited to software) and intellectual property rights of any nature whatsoever; rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections, and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including Tax benefits), credits (including Tax credits), credit arising from advance Tax, self-assessment Tax, withholding Tax credits, foreign Tax credits, any Tax refunds and credits, minimum alternate Tax credit entitlement, Central Value Added Tax ("CENVAT") credit, goods and service Tax credit, other indirect Tax credits, any Tax incentives, benefits (including claims for carried forward Tax losses and unabsorbed Tax depreciation), advantages, privileges, exemptions, credits, Tax holidays, remission, reductions and any other claims under any Tax laws; subsidies, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the respective Transferor Companies or in connection with or relating to the respective Transferor Companies and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the respective Transferor Companies
- All contracts (including but not limited to the agreements with respect to the immovable properties being used by the respective Transferor Companies by way of lease and/or license and/or business arrangements), rights, agreements, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, letters of intent, understanding, equipment



purchase agreement, agreements with customers, purchase and other agreement with the supplier/manufacturer of goods/service providers, undertakings, deeds, bonds and schemes; entitlements, licenses (including the licenses granted by any Governmental Authority for the purpose of carrying on the respective businesses of the Transferor Companies or in connection therewith), permits, clearances, permissions, incentives, approvals (including municipal approvals), allocations, registrations, Tax benefits, subsidies, concessions, grants, credits, awards, exemptions, qualifications, bid acceptances, tenders, certificates, rights, statutory rights, claims, leases, licenses, right to use and/ or access, tenancy rights, liberties, special status and other benefits or privileges; quota rights, engagements, arrangements, authorities, allotments and security arrangements (to the extent provided herein); benefits of any guarantees, reversions, powers and all other approvals, sanctions and consents of every kind, nature and description whatsoever relating to the respective Transferor Companies' business activities and operations and that may be required to carry on the operations of the respective Transferor Companies;

- All intellectual property rights, registrations, trademarks, trade names, computer programmes, manuals, data, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names and all software, and all the website contents (including text, graphics, images, audio, video and data) exclusively used by or held for use by the respective Transferor Companies in their respective businesses, activities and operations carried on by the Transferor Companies;
- All books, records, files, papers, engineering and process information, application software, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, lists of present and former borrowers, lenders and suppliers including service providers, other borrower information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form;
- All amounts claimed by the respective Transferor Companies whether or not so recorded in the books of account of the respective Transferor Companies from any Governmental Authority, under any law, act or rule in force, as refund of any Tax, duty, cess or of any excess payment;
- All rights to any claim not preferred or made by the respective Transferor Companies in respect of any refund of Tax, duty, cess or other charge, including any erroneous or



excess payment thereof made by the respective Transferor Companies and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of set-off, carry forward of un-absorbed losses and unabsorbed Tax depreciation, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, incentives, benefits, Tax holidays, credits, etc. under the Income Tax Act, sales Tax, value added Tax, service Tax, custom duties, and goods and service Tax or any other or like benefits under the said acts or under and in accordance with Applicable Law;

- All debts and liabilities, both present and future, whether or not provided in the books of accounts or disclosed in the balance sheet of the respective Transferor Companies, including all secured, if any, and unsecured debts (whether denominated in Indian rupees or a foreign currency), liabilities (including deferred Tax liabilities, contingent liabilities) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for their respective business activities and operations along with any charge, guarantees, assurances, deposits, time and demand liabilities, borrowings, bills payable, interest accrued, Tax liabilities, debentures, duties, leases of the respective Transferor Companies, guarantees, sundry creditors, and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether or not contingent or disputed or the subject matter of any court, arbitration, tribunal, forum or other proceedings including before any Governmental Authority. Provided that, any reference in the security documents or arrangements entered into by the respective Transferor Companies, if any, and under which, the assets of the respective Transferor Companies stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to the respective Undertakings of the Transferor Companies only as are vested in the Transferee Company by virtue of Part C of the Scheme and the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the respective Transferor Companies which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise
- All of their respective staff and employees, if any, who are on their respective payrolls, including those employed at their respective offices, and other obligations of whatsoever kind, including liabilities of each of the Transferor Companies, with regard to their staff and employees, with respect to the payment of gratuity, superannuation, pension benefits and the provident fund or compensation, if any, and any other benefit



in the event of resignation, death, voluntary retirement or retrenchment and any other obligations under any licenses and/ or permits; and

- All Proceedings of whatsoever nature involving the respective Transferor Companies

It is intended that the definition of Undertakings under this clause would enable the transfer of all property, assets, liabilities, employees, etc. of the Transferor Companies to the Transferee Company pursuant to this Scheme.

(y) **“Undertaking of Amalgamating Company”** means the Amalgamating Company together with the Undertakings of the respective Transferor Companies, transferred to and vested in the Amalgamating Company, upon effectiveness of Part C of the Scheme and with effect from the Appointed Date, and includes all the business, undertakings, assets, properties, investments and all liabilities of the Amalgamating Company, of whatsoever nature and kind and wherever situated, on a going concern basis, and with continuity of business of the Amalgamating Company, which shall mean and include without limitation:

- All the assets and properties (tangible or intangible, moveable or immovable, real or personal, corporeal or incorporeal, present, future or contingent) of the Amalgamating Company, including, without being limited to, computers, equipment, offices and other premises, sundry debtors, furniture, fixtures, interiors, office equipment, including other equipment, accessories, deposits, all stocks, assets, investments of all kinds (including shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), cash balances or deposits with banks, loans, advances, contingent rights or benefits, book debts, receivables, Taxes paid, actionable claims, earnest moneys, margin moneys, security deposits, advances or deposits paid by the Amalgamating Company, financial assets, leases (including but not limited to leasehold rights of the Amalgamating Company), and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies or licenses in relation to the offices, fixed and other assets, intangible assets (including but not limited to software) and intellectual property rights of any nature whatsoever; rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including Tax benefits), credits (including Tax credits), credit arising from advance Tax, self-assessment Tax, withholding Tax credits, foreign Tax credits, any Tax refunds and credits, minimum alternate Tax credit entitlement, CENVAT credit, goods and service Tax credit, other indirect Tax credits, any Tax incentives, benefits



(including claims for carried forward Tax losses and unabsorbed Tax depreciation) advantages, privileges, exemptions, credits, Tax holidays, remission, reductions and any other claims under any Tax laws; subsidies, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Amalgamating Company or in connection with or relating to the Amalgamating Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Amalgamating Company;

- All contracts (including but not limited to the agreements with respect to the immovable properties being used by the Amalgamating Company by way of lease and/or license and/or business arrangements), rights, agreements, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, letters of intent, understanding, equipment purchase agreement, agreements with customers, purchase and other agreement with the supplier/manufacturer of goods/service providers, undertakings, deeds, bonds and schemes; entitlements, licenses (including the licenses granted by any Governmental Authority for the purpose of carrying on the business of the Amalgamating Company or in connection therewith), permits, permissions, incentives, approvals (including municipal approvals), allocations, registrations, Tax benefits, subsidies, concessions, grants, credits, awards, exemptions, qualifications, bid acceptances, tenders, certificates, rights, statutory rights, claims, leases, licenses, right to use and/ or access, tenancy rights, liberties, special status and other benefits or privileges; quota rights, engagements, arrangements, authorities, allotments and security arrangements (to the extent provided herein); benefits of any guarantees, reversions, powers and all other approvals, sanctions and consents of every kind, nature and description whatsoever relating to the Amalgamating Company's business activities and operations and that may be required to carry on the operations of the Amalgamating Company;
- All intellectual property rights, registrations, trademarks, trade names, computer programmes, manuals, data, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names and all software, and all the website contents (including text, graphics, images, audio, video and data) exclusively used by or held for use by the Amalgamating Company in the business, activities and operations carried on by the Amalgamating Company;



- All books, records, files, papers, engineering and process information, application software, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, lists of present and former borrowers, lenders and suppliers including service providers, other borrower information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form;
- All amounts claimed by the Amalgamating Company whether or not so recorded in the books of account of the Amalgamating Company from any Governmental Authority, under any law, act or rule in force, as refund of any Tax, duty, cess or of any excess payment;
- All rights to any claim not preferred or made by the Amalgamating Company in respect of any refund of Tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Amalgamating Company and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of set-off, carry forward of un-absorbed losses and unabsorbed Tax depreciation, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, incentives, benefits, Tax holidays, credits, etc., under the Income Tax Act, sales Tax, value added Tax, service Tax, custom duties, and goods and service Tax or any other or like benefits under the said acts or under and in accordance with Applicable Law;
- All debts and liabilities, both present and future, whether or not provided in the books of accounts or disclosed in the balance sheet of the Amalgamating Company, including all secured and unsecured debts (whether denominated in Indian rupees or a foreign currency), liabilities (including deferred Tax liabilities, contingent liabilities) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations along with any charge, assurances, deposits, time and demand liabilities, borrowings, bills payable, interest accrued, Tax liabilities, debentures, bonds, notes, duties, leases of the Amalgamating Company, guarantees, sundry creditors, and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether or not contingent or disputed or the subject matter of any court, arbitration, tribunal, forum or other proceedings including before any Governmental Authority. Provided that, any reference in the security documents or arrangements entered into by the Amalgamating Company and under which, the assets of the Amalgamating Company stand offered as a security, for any financial assistance or obligation, the said reference



shall be construed as a reference to the assets pertaining to that Undertaking of the Amalgamating Company only as are vested in the Amalgamated Company by virtue of the Scheme and the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Amalgamating Company which shall vest in the Amalgamated Company by virtue of the Scheme and the Amalgamated Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise

- All of its staff and employees, who are on its payrolls, including those employed at its offices and branches, including overseas offices, employees/personnel engaged on contract basis and contract labourers and interns/trainees, as are primarily engaged in or in relation to the business, activities and operations carried on by the Amalgamating Company and other obligations of whatsoever kind, including liabilities of the Amalgamating Company with regard to its staff and employees, with respect to the payment of gratuity, superannuation, pension benefits, the provident fund or compensation, if any, and any other employee benefit scheme/plan in the event of resignation, death, voluntary retirement or retrenchment and any other obligations under any licenses and/ or permits; and
- All Proceedings whatsoever nature involving the Amalgamating Company

6. INTERPRETATIONS

- 6.1 The expressions which are used in this Scheme and not defined, shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time..
- 6.2 References to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation.
- 6.3 References to any of the terms Taxes, duty, levy or cess in the Scheme shall be construed as reference to all of them whether jointly or severally.
- 6.4 The words "include" and "including" are to be construed without limitation.
- 6.5 The terms "hereof", "herein", "hereby", "hereto" and derivative or similar words shall refer to this entire Scheme or specified Clauses of this Scheme, as the case may be.



6.6 Any reference to the Recital or Clause shall be a reference the Recital or Clause of this Scheme

7. DATE OF COMING INTO EFFECT

7.1 The Scheme set out herein, in its present form or with such modifications or amendments, approved or imposed or directed by the NCLT or other appropriate authority, shall be effective from the Appointed Date herein, although it shall be operative from the Effective Date.

7.2 The amalgamation of the Transferor Companies with the Transferee Company, and the amalgamation of the Amalgamating Company with the Amalgamated Company shall be in accordance with Section 2(1B) of the Income Tax Act. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with Section 2(1B) of the Income Tax Act at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provision of the Income Tax Act shall prevail. The Scheme shall then stand modified to the extent deemed necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme.

8. SHARE CAPITAL

8.1 Transferor Company 1

The authorized, issued, subscribed and paid-up share capital of Transferor Company 1 as on March 31, 2023 is as follows:

| PARTICULARS | AMOUNT (Rs) |
|--|-----------------|
| AUTHORIZED CAPITAL | |
| 50,000 Equity Shares of Rs 10/- each | 5,00,000 |
| Total | 5,00,000 |
| ISSUED, SUBSCRIBED AND PAID-UP CAPITAL | |
| 50,000 Equity Shares of Rs 10/- each | 5,00,000 |
| Total | 5,00,000 |

8.2 Transferor Company 2

The authorized, issued, subscribed and paid-up share capital of Transferor Company 2 as on March 31, 2023 is as follows:

| PARTICULARS | AMOUNT (Rs) |
|--|------------------|
| AUTHORIZED CAPITAL | |
| 1,50,000 Equity Shares of Rs 10/- each | 15,00,000 |
| Total | 15,00,000 |
| ISSUED, SUBSCRIBED AND PAID-UP CAPITAL | |



| | |
|--------------------------------------|-----------------|
| 10,000 Equity Shares of Rs 10/- each | 1,00,000 |
| Total | 1,00,000 |

8.3 Transferor Company 3

The authorized, issued, subscribed and paid-up share capital of Transferor Company 3 as on March 31, 2023 is as follows:

| PARTICULARS | AMOUNT (Rs) |
|--|---------------------|
| AUTHORIZED CAPITAL | |
| 4,00,00,000 Equity Shares of Rs 5/- each | 20,00,00,000 |
| Total | 20,00,00,000 |
| ISSUED, SUBSCRIBED AND PAID-UP CAPITAL | |
| 1,52,66,666 Equity Shares of Rs 5/- each | 7,63,33,330 |
| Total | 7,63,33,330 |

8.4 Transferor Company 4

The authorized, issued, subscribed and paid-up share capital of Transferor Company 4 as on March 31, 2023 is as follows:

| PARTICULARS | AMOUNT (Rs) |
|--|-----------------|
| AUTHORIZED CAPITAL | |
| 50,000 Equity Shares of Rs 10/- each | 5,00,000 |
| Total | 5,00,000 |
| ISSUED, SUBSCRIBED AND PAID-UP CAPITAL | |
| 50,000 Equity Shares of Rs 10/- each | 5,00,000 |
| Total | 5,00,000 |

8.5 Transferor Company 5

The authorized, issued, subscribed and paid-up share capital of Transferor Company 5 as on March 31, 2023 is as follows:

| PARTICULARS | AMOUNT (Rs) |
|--|---------------|
| AUTHORIZED CAPITAL | |
| 5000 Equity Shares of Rs 10/- each | 50,000 |
| Total | 50,000 |
| ISSUED, SUBSCRIBED AND PAID-UP CAPITAL | |
| 5000 Equity Shares of Rs 10/- each | 50,000 |
| Total | 50,000 |



8.6 Amalgamating Company

The authorized, issued, subscribed and paid-up share capital of Amalgamating Company as on March 31, 2023 is as follows:

| PARTICULARS | AMOUNT (Rs) |
|---|---------------------|
| AUTHORIZED CAPITAL | |
| 15,06,00,000 Equity Shares of Rs 5/- each | 75,30,00,000 |
| Total | 75,30,00,000 |
| ISSUED, SUBSCRIBED AND PAID-UP CAPITAL | |
| 3,65,52,261 Equity Shares of Rs 5/- each | 18,27,61,305 |
| Total | 18,27,61,305 |

8.7 Amalgamated Company

The authorized, issued, subscribed and paid-up share capital of Amalgamated Company as on March 31, 2023 is as follows:

| PARTICULARS | AMOUNT (Rs) |
|---|-----------------------|
| AUTHORIZED CAPITAL | |
| 20,00,00,000 Equity shares of Rs.5/- each | 1,00,00,00,000 |
| Total | 1,00,00,00,000 |
| ISSUED, SUBSCRIBED AND PAID-UP CAPITAL | |
| 9,75,65,616 Equity Shares of Rs. 5/- each | 48,78,28,080 |
| Total | 48,78,28,080 |

The equity shares of the Amalgamated Company are listed on the Stock Exchanges.



**PART C – AMALGAMATION OF TRANSFEROR COMPANIES WITH
THE TRANSFEREE COMPANY**

9. TRANSFER AND VESTING OF THE RESPECTIVE ASSETS OF THE TRANSFEROR COMPANIES WITH THE TRANSFEREE COMPANY

- 9.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, each of the Transferor Companies, shall stand amalgamated into the Transferee Company and their respective Undertakings shall, pursuant to the sanction of the Scheme by the Tribunal and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, be and stand transferred to and vested in and/ or be deemed to have been transferred to and vested in the Transferee Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act, without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertakings of the Transferee Company by virtue of and in the manner provided in this Scheme.
- 9.2 Without prejudice to the generality of Clause 9.1 above, upon coming into effect of the Scheme and with effect from the Appointed Date, and subject to the provisions of this Scheme, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the respective Undertakings of the Transferor Companies, of whatsoever nature and wherever situate, whether or not included in the respective books of the Transferor Companies, shall, subject to the provisions of this Clause 9 in relation to the mode of vesting and pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, and without any further act, deed, matter or thing, be and stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estates, assets, rights, claims, title, interest and authorities of the Transferee Company, subject to the provisions of this Scheme.
- 9.3 In respect of such of the assets of the respective Transferor Companies, as are movable in nature or otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, the same shall be so transferred by the respective Transferor Companies, and shall become the property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Section 230 to 232 of the Companies Act without requiring any deed or instrument of conveyance for the same. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly



- 9.4 In respect of such of the assets belonging to the respective Transferor Companies, other than those mentioned in Clause 9.3 above, the same shall, as more particularly provided in Clause 9.2 above, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Section 230 to 232 of the Companies Act
- 9.5 Upon the effectiveness of this Scheme, and with effect from the Appointed Date, all assets of the respective Transferor Companies that are owned / leased / licensed immovable properties, if any, including any right or interest in the buildings and structures standing thereon and all lease/ license or rent agreements, together with security deposits and advance / prepaid lease/ license fee, rights and easements in relation to such properties shall stand transferred to and be vested in, or be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed, pursuant to the provisions of Part C of this Scheme. Further, the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease/ license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee to the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable, as may be required, to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective and with effect from the Appointed Date 1, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Tribunal and upon the coming into effect of this Scheme in accordance with the terms hereof. Further the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Government Authority shall suffice as a record of continuing title with Amalgamating Company and shall be constituted as a deemed mutation and substitution thereof. The Transferee Company shall upon the Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard. Further, at the discretion of Transferee Company, such immovable properties including leasehold rights can be vested pursuant to a separate conveyance or any other agreement as well.
- 9.6 All estate, assets, rights, titles or interests acquired by the respective Transferor Companies, after the Appointed Date but prior to the Effective Date shall also, without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Companies Act.
- 9.7 All trademarks, trade names, service marks, copyrights, logos, corporate names, brand names, domain names and all registrations, applications and renewals in connection therewith, and



software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information of the respective Transferor Companies shall stand transferred to and vested in the Transferee Company

10. TRANSFER AND VESTING OF THE RESPECTIVE LIABILITIES OF THE TRANSFEROR COMPANIES WITH THE TRANSFEE COMPANY

- 10.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, all the liabilities, debts, loans raised and used, duties, losses and obligations of the respective Transferor Companies, whether or not recorded in their respective books of accounts, shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, without any further act, instrument, deed, matter or thing, stand transferred to and vested in the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities, debts, loans, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the concerned Transferor Companies, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.
- 10.2 Upon the Scheme becoming effective and with effect from the Appointed Date, all the liabilities, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a liability including contingent liability in whatever form), if any, due on the Effective Date between the respective Transferor Companies and the Transferee Company shall automatically stand discharged and come to an end and there shall be no liability in that behalf on either of the Transferor Companies or the Transferee Company and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.
- 10.3 All Encumbrances, if any, existing prior to the Effective Date over the assets of the respective Transferor Companies, shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Provided that if any of the assets of the concerned Transferor Companies, which are being transferred to the Transferee Company pursuant to this Scheme have not been Encumbered as aforesaid, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over

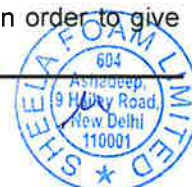


such assets. The absence of any formal amendment or approval which may be required by a lender or trustee or third party shall not affect the operation of the above.

- 10.4 Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of this Scheme and with effect from the Appointed Date, the Transferee Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- 10.5 It is expressly provided that, save as mentioned in this Clause, no other term or condition of the liabilities, loans, duties and obligations transferred to the Transferee Company as part of the Scheme shall be modified by virtue of this Scheme.
- 10.6 Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

11. CONTRACTS AND PERMITS

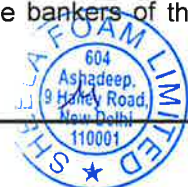
- 11.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, and subject to the provisions of the Scheme, all contracts (including but not limited to customer contracts, service contracts and supplier contracts), deeds, bonds, indemnities, agreements, schemes, licenses, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of intent, arrangements and other instruments of whatsoever nature, to which the respective Transferor Companies, are a party or to the benefit of which the respective Transferor Companies, may be eligible or for the obligations of which the respective Transferor Companies, may be liable, and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the respective Transferor Companies, the Transferee Company had been a party or beneficiary or obligee or obligor thereto.
- 11.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertakings of the respective Transferor Companies occur by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite agreements with any party to any contract or arrangement to which the respective Transferor Companies, are a party or any writings as may be necessary to be executed in order to give



formal effect to the above provisions. The Transferee Company shall, under the provisions of Part C of this Scheme, be deemed to be authorized to execute any such writings on behalf of the respective Transferor Companies and to carry out or perform all such formalities or compliances referred to above on the part of the respective Transferor Companies to be carried out or performed.

11.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, and subject to the Applicable Law, all approvals, including municipal approvals, allocations, allotments, consents, authorities (including for the operation of bank accounts), concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorization, statutory rights, pre-qualifications, bid acceptances, tenders, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on their respective business or in connection therewith), permissions and certificates of every kind and description whatsoever in relation to the respective Transferor Companies including powers of attorney given by the respective Transferor Companies, or to the benefit of which the respective Transferor Companies may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Tribunal, and upon this Scheme becoming effective and with effect from the Appointed Date, in accordance with the terms hereof. The Transferee Company shall be entitled to make applications to any Governmental Authority as may be necessary in this behalf.

11.4 Upon the effectiveness of the Scheme and with effect from the Appointed Date, the Transferee Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the respective Transferor Companies to the extent necessary until the transfer of the rights and obligations of the respective Transferor Companies to the Transferee Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the respective Transferor Companies after the Effective Date, shall be accepted by the bankers of the Transferee Company and credited to the accounts of the Transferee Company, if presented by the Transferee Company. Similarly, the bankers of the



Transferee Company shall honour all cheques issued by the respective Transferor Companies for payment after the Effective Date.

- 11.5 Upon the effectiveness of this Scheme and with effect from the Appointed Date, all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, and other instruments of whatsoever nature to which the concerned Transferor Companies are a party to or to the benefit of which the Transferor Companies may be eligible, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee thereto. Upon coming into effect of this Scheme and with effect from the Appointed Date, the past track record of the respective Transferor Companies shall be deemed to be the track record of the Transferee Company for all purposes, including commercial and regulatory purposes.
- 11.6 Upon effectiveness of the Scheme and with effect from the Appointed Date, all bank accounts operated or entitled to be operated by the respective Transferor Companies shall be deemed to have transferred and shall stand transferred to the Transferee Company and name of the respective Transferor Companies shall be substituted by the name of the Transferee Company in the bank's records.
- 11.7 Without prejudice to the other provisions of this Scheme, upon effectiveness of this Scheme and with effect from the Appointed Date, all transactions between the respective Transferor Companies and between the respective Transferor Companies and the Transferee Company, that have not been completed, shall stand cancelled.

12. TAXATION MATTERS

- 12.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Taxes paid, payable, received or receivable by or on behalf of the respective Transferor Companies, including but not limited to all or any refunds, claims or entitlements or credits (including credits for income Tax, withholding Tax, advance Tax, self-assessment Tax, minimum alternate Tax, foreign Tax credits, CENVAT credit, goods and services Tax credits, other indirect Tax credits and other Tax receivables) shall, for all purposes, be treated as the Tax liability, refund, claims, including but not limited to claims under section 43B, section 40 of the Income Tax Act, or credit, as the case may be, of the Transferee Company, and any Tax incentives, benefits (including claims for unabsorbed Tax losses and unabsorbed Tax depreciation), advantages, privileges, elections, exemptions, credits, Tax holidays, benefits of exercise of any option, remissions or reduction which would have been available to the respective Transferor Companies, shall be available to the Transferee Company, and following the Effective Date, the Transferee Company



shall be entitled to initiate, raise, add or modify any claims in relation to such Taxes on behalf of the respective Transferor Companies.

- 12.2 Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, central sales Tax law, applicable state value added Tax law, service Tax laws, excise duty laws, goods and services Tax laws and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.
- 12.3 All compliances with respect to Taxes or any other Applicable Law between the Appointed Date and the Effective Date, undertaken by the respective Transferor Companies, shall, upon the effectiveness of this Scheme and with effect from the Appointed Date, be deemed to have been complied with, by the Transferee Company. Any Taxes deducted by the Transferee Company from payments made to the respective Transferor Companies, shall be deemed to be advance tax paid by the Transferee Company

13. LEGAL PROCEEDINGS

- 13.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all legal, taxation or other proceedings whether civil or criminal including but not limited to suits, summary suits, indigent petitions, assessments, appeals, or other proceedings of whatever nature (hereinafter called the "**Proceedings**"), if any, by or against the respective Transferor Companies, pending as on the Effective Date, shall not abate or be discontinued or be in any way prejudicially affected in any way by reason of the Scheme or by anything contained in the Scheme, but the Proceedings shall be continued, prosecuted and enforced, as the case may be, by or against the Transferee Company, in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the respective Transferor Companies, if the Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate, defend, compromise or otherwise deal with any Proceedings for and on behalf of the respective Transferor Companies. The Transferee Company undertakes to have all the Proceedings specified in this Clause, initiated by or against the respective Transferor Companies, transfer to its name and to have such Proceedings continued, prosecuted and enforced, as the case may be, by or against the Transferee Company, subject to Applicable Law.

14. EMPLOYEES OF THE RESEPECTIVE TRANFEROR COMPANIES

- 14.1 With effect from the Effective Date, all the staff and employees, if any, of the respective Transferor Companies, who are in such employment as on the Effective Date, shall become and be deemed to have become, the staff and employees of the Transferee Company, without any break in or



interruption of service and on terms and conditions not less favourable than those on which they are engaged by the respective Transferor Companies, as a result of the transfer and vesting of the Undertakings of the Transferor Companies to the Transferee Company. Services of the staff and employees shall be taken into account from the date of their respective appointment with the Transferor Companies, for the purposes of all retirement benefits and all other entitlements for which they may be eligible. For the purpose of payment of any retrenchment compensation or other termination benefits, if any, such past services with the respective Transferor Companies shall also be taken into account by the Transferee Company.

- 14.2 With regard to provident fund, gratuity, superannuation, leave encashment and any other special scheme or benefits created by the respective Transferor Companies, if any, which exist immediately prior to the Effective Date, the Transferee Company shall stand substituted for the respective Transferor Companies for all purposes whatsoever, upon the coming into effect of this Scheme, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the respective Transferor Companies, in accordance with Applicable Law. It is hereby clarified that upon the coming into effect of this Scheme, such benefits and schemes shall continue to be provided to the transferred employees and the service of all transferred employees of the respective Transferor Companies for such purpose shall be treated as having been continuous.
- 14.3 It is provided that as far as the provident fund, gratuity fund, pension, superannuation fund or any other special fund created or existing, including any payments towards state insurance, for the benefit of such employees of the respective Transferor Companies are concerned, upon the Scheme becoming effective and with effect from the Appointed Date, each of the Transferor Companies shall stand substituted by the Transferee Company for all purposes whatsoever relating to the administration or operation of such funds or trusts or in relation to the obligation to make contribution to the said funds or trusts in accordance with the provisions of such funds or trusts as provided in the respective trust deeds or other documents. Upon the Scheme becoming effective and with effect from the Appointed Date, the contributions made by the respective Transferor Companies to the said funds and trusts for the period after the Appointed Date shall be deemed to be made by the Transferee Company. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the respective Transferor Companies, in relation to such funds or trusts shall become those of the Transferee Company. The trustees including the Boards of the respective Transferor Companies and the Transferee Company or through any committee / person duly authorized by the Boards in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees.



15. CONSIDERATION

15.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, and in consideration of the transfer of and vesting of the Undertakings of the Transferor Companies in the Transferee Company, in terms of the Scheme, all the equity shares issued by the respective Transferor Companies and held by the Transferee Company and its nominees shall stand cancelled and extinguished and in lieu thereof, there shall be no allotment of equity shares in the Transferee Company or payment of any consideration

16. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEEE COMPANY

16.1 Notwithstanding anything to the contrary herein, the Transferee Company shall account for the amalgamation of the each of the Transferor Companies with the Transferee Company, on completion of all substantial conditions for the transfer, in accordance with "Pooling of Interests Method" laid down in Appendix C of Ind AS-103 (Business Combinations of entities under common control) notified under Section 133 of the Companies Act, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, such that:

16.1.1 The Transferee Company shall record the assets, liabilities and reserves, if any, of the respective Transferor Companies vested in it pursuant to this Scheme, at the respective book values and in the same form as appearing in the Consolidated financial statement of Transferee Company.

16.1.2 The identity of the reserves shall be preserved and the Transferee Company shall record the reserves of the respective Transferor Companies in the same form and at the carrying amount as appearing in the consolidated financial statement of Transferee Company.

16.1.3 The value of investment held by the Transferee Company in the respective Transferor Companies shall stand cancelled pursuant to the amalgamation.

16.1.4 Pursuant to the amalgamation of the respective Transferor Companies with the Transferee Company, the inter-company balances between the Transferee Company and the respective Transferor Companies, if any, appearing in the books of the Transferee Company and the value of all investments held by the Transferee Company in each of the Transferor Companies shall stand cancelled.

16.1.5 The surplus/deficit, if any arising after taking the effect of clause 16.1.1, clause 16.1.2, clause 16.1.3 and after giving the effect of the adjustments referred to in clause 16.1.4, shall be transferred to the "Capital Reserve" in the financial statements of the Transferee



Company and shall be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

- 16.1.6 In case of any difference in the accounting policy between the respective Transferor Companies and the Transferee Company, the accounting policies followed by the Transferee Company will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.
- 16.1.7 Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of amalgamation, as stated above, as if the amalgamation had occurred from the beginning of the comparative period.
- 16.1.8 Any matter not dealt with in the Clause hereinabove shall be dealt with in accordance with the accounting standards applicable to the Transferee Company.

17. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

- 17.1 From the date on which the Boards of the respective Transferor Companies and the Transferee Company approve the Scheme, each of the Transferor Companies shall carry on their respective businesses with reasonable diligence and business prudence in the ordinary course consistent with past practice, in accordance with Applicable Law and as mutually agreed between the Transferor Companies and the Transferee Company. Notwithstanding anything contained in the Scheme to the contrary, each of the respective Transferor Companies and the Transferee Company shall be able to raise capital from the date on which the Boards of the Transferor Companies and the Transferee Company approve the Scheme, as it may deem fit.

18. DISSOLUTION OF TRANSFEROR COMPANIES

- 18.1 Upon the coming into effect of Part C of this Scheme and with effect from the Appointed Date, each of the Transferor Companies shall stand dissolved without being wound up, without any further act or deed and no specific accounting is prescribed in the Indian Accounting Standards specified under Section 133 of the Act for such transfer.

19. REORGANISATION OF THE AUTHORISED SHARE CAPITAL OF TRANSFEROR COMPANY 1, TRANSFEROR COMPANY 2, TRANSFEROR COMPANY 4 AND TRANSFEROR COMPANY 5

- 19.1 Upon Part C of the Scheme becoming effective and with effect from the Appointed Date, and as an integral part of the Scheme, the authorized share capital of Transferor Company 1, Transferor Company 2, Transferor Company 4 and Transferor Company 5 shall be reclassified/reorganized



such that each equity share of Rs. 10/- (Rupees Ten only) shall stand reclassified/reorganized as 2 (Two) equity shares of Rs. 5/- (Rupees Five only) each.

19.2 It is clarified that the approval of the respective equity shareholders of the Transferor Company 1, Transferor Company 2, Transferor Company 4 and Transferor Company 5 to this Scheme shall be deemed to be their consent/approval to the reclassification of the authorized share capital envisaged under this Clause of the Scheme, as required under Sections 13, 61 and other applicable provisions of the Companies Act.

20. CONSOLIDATION OF THE RESPECTIVE AUTHORISED SHARE CAPITAL OF THE TRANSFEROR COMPANIES WITH THE AUTHORISED SHARE CAPITAL OF THE TRANSFEREE COMPANY

20.1 Upon Part C of the Scheme becoming effective and with effect from the Appointed Date, and pursuant to the reclassification and reorganization of the resultant authorized share capital of the respective Transferor Company 1, Transferor Company 2, Transferor Company 4 and Transferor Company 5 as set out in Clause 19 above, the resultant authorized share capital of each of the Transferor Companies shall stand transferred to and be amalgamated/combined with the authorized share capital of the Transferee Company. The fees or stamp duty, if any, paid by each of the Transferor Companies on their respective authorized share capitals shall be deemed to have been so paid by the Transferee Company on the combined authorized share capital, and the Transferee Company shall not be required to pay any fee/ stamp duty for the increase of the authorized share capital. The authorized share capital of the Transferee Company will automatically stand increased to that effect by simply filing the requisite forms with the Registrar of Companies and no separate procedure or instrument or deed shall be required to be followed under the Companies Act.

Clause V. of the memorandum of association of the Transferee Company shall, upon the Scheme becoming effective, and without any further act, instrument or deed, be replaced by the following clause:

“V. The Authorised Share Capital of the Corporation is Rs. 95,55,50,000/- (Rupees Ninety-Five Crores Fifty-Five Lakhs and Fifty Thousand Only) comprising of 19,11,10,000 (Nineteen Crores Eleven Lakhs Ten Thousand Only) equity shares of the face value of Rs. 5/- (Rupees Two only) each.”

20.2 For the avoidance of doubt, it is hereby clarified that if the authorized share capital of the respective Transferor Companies or the Transferee Company undergoes any change, either as



a consequence of any corporate action or otherwise, then, this Clause 20 shall automatically stand modified to take into account the effect of such change.

20.3 The approval of this Scheme by the equity shareholders of the Transferee Company under Sections 230 to 232 of the Companies Act, shall be deemed to have been an approval under Section 13, Section 61 and Section 64 or any other applicable provisions under the Companies Act and no further resolution(s) would be required to be separately passed in this regard.



**PART D – AMALGAMATION OF AMALGAMATING COMPANY WITH
THE AMALGAMATED COMPANY**

**21. TRANSFER AND VESTING OF THE ASSETS OF THE AMALGAMATING COMPANY WITH
THE AMALGAMATED COMPANY**

- 21.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, the Amalgamating Company, shall (after Part C of the Scheme has come into effect), stand amalgamated into the Amalgamated Company and the Undertaking of the Amalgamating Company shall, pursuant to the sanction of the Scheme by the Tribunal and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, be and stand transferred to and vested in and/ or be deemed to have been transferred to and vested in the Amalgamated Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act, without any further act, instrument, deed, matter or thing so as to become as and from the Appointed Date, the undertaking of the Amalgamated Company by virtue of and in the manner provided in this Scheme.
- 21.2 Without prejudice to the generality of Clause 21.1 above, upon the coming into effect of the Scheme and with effect from the Appointed Date (after Part C of the Scheme has come into effect), and subject to the provisions of this Scheme, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking of the Amalgamating Company, of whatsoever nature and wherever situate, whether or not included in the books of the Amalgamating Company shall, subject to the provisions of this Clause 21 in relation to the mode of vesting and pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, and without any further act, deed, matter or thing, be and stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Amalgamated Company as a going concern so as to become as and from the Appointed Date, the estates, assets, rights, claims, title, interest and authorities of the Amalgamated Company, subject to the provisions of this Scheme.
- 21.3 In respect of such of the assets of the Amalgamating Company as are movable in nature or otherwise capable of transfer by physical or constructive delivery or by endorsement and delivery or by vesting and recordal of whatsoever nature, the same shall be so transferred by the Amalgamating Company, and shall become the property of the Amalgamated Company with effect from the Appointed Date pursuant to the provisions of Section 230 to 232 of the Companies Act without requiring any deed or instrument of conveyance for the same. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to



the property being vested and title to the property shall be deemed to have been transferred accordingly.

21.4 In respect of such of the assets belonging to the Amalgamating Company other than those mentioned in Clause 21.3 above, the same shall, as more particularly provided in Clause 21.2 above, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Amalgamated Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Section 230 to 232 of the Companies Act.

21.5 Upon the effectiveness of this Scheme, and with effect from the Appointed Date, all assets of the Amalgamating Company that are owned / leased / licensed immovable properties, including any right or interest in the buildings and structures standing thereon and all lease/ license or rent agreements, together with security deposits and advance / prepaid lease/ license fee, rights and easements in relation to such properties shall stand transferred to and be vested in, or be deemed to have been transferred to and vested in the Amalgamated Company, without any further act or deed, pursuant to the provisions of Part D of this Scheme. Further, relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease/ license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee to the Amalgamated Company. The Amalgamated Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable, as may be required, to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective and with effect from the Appointed Date 2, be made and duly recorded in the name of the Amalgamated Company by the appropriate authorities pursuant to the sanction of this Scheme by the Tribunal and upon the coming into effect of this Scheme in accordance with the terms hereof. Further the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Government Authority shall suffice as a record of continuing title with Amalgamated Company and shall be constituted as a deemed mutation and substitution thereof. The Amalgamated Company shall upon the Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard. Further, at the discretion of Amalgamated Company, such immovable properties including leasehold rights can be vested pursuant to a separate conveyance or any other agreement as well.

21.6 All the security interest over any moveable and/or immovable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favour of the Amalgamating Company or any other person acting on behalf of or for the benefit of the Amalgamating Company for securing the



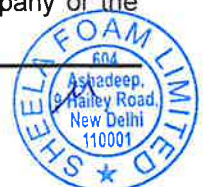
obligations of the persons to whom the Amalgamating Company has advanced loans and granted other funded and non-funded financial assistance, by way of letter of comfort or through other similar instruments shall without any further act, instrument or deed stand vested in and be deemed to be in favour of the Amalgamated Company and the benefit of such security shall be available to the Amalgamated Company as if such security was ab initio created in favour of the Amalgamated Company. The mutation or substitution of the charge in relation to the movable and immovable properties of the Amalgamating Company shall, upon this Scheme becoming effective and with effect from the Appointed Date, be made and duly recorded in the name of the Amalgamated Company by the appropriate authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme by the Tribunal and upon the Scheme becoming effective in accordance with the terms hereof.

- 21.7 All trademarks, trade names, service marks, copyrights, logos, corporate names, brand names, domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information of the Amalgamating Company shall stand transferred to and vested in the Amalgamated Company

22. TRANSFER AND VESTING OF THE LIABILITIES OF THE AMALGAMATING COMPANY WITH THE AMALGAMATED COMPANY

- 22.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, all the liabilities, debts, loans raised and used, duties, losses and obligations of the Undertaking of the Amalgamating Company, whether or not recorded in their respective books of accounts, shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, without any further act, instrument, deed, matter or thing, stand transferred to and vested in the Amalgamated Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities, debts, loans, duties and obligations of the Amalgamated Company on the same terms and conditions as were applicable to the Amalgamating Company, and the Amalgamated Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

- 22.2 Upon the Scheme becoming effective and with effect from the Appointed Date, all the liabilities, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a liability including contingent liability in whatever form), if any, due on the Effective Date between the Amalgamating Company and the Amalgamated Company shall automatically stand discharged and come to an end and there shall be no liability in that behalf on either the Amalgamating Company or the



Amalgamated Company and the appropriate effect shall be given in the books of accounts and records of the Amalgamated Company.

- 22.3 All Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company, shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Provided that if any of the assets of the Amalgamating Company, which are being transferred to the Amalgamated Company pursuant to this Scheme have not been Encumbered as aforesaid, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment or approval which may be required by a lender or trustee or third party shall not affect the operation of the above.
- 22.4 Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of this Scheme and with effect from the Appointed Date, the Amalgamated Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- 22.5 It is expressly provided that, save as mentioned in this Clause, no other term or condition of the liabilities, loans, duties and obligations transferred to the Amalgamated Company as part of the Scheme shall be modified by virtue of this Scheme.
- 22.6 Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

23. CONTRACTS AND PERMITS

- 23.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, and subject to the provisions of the Scheme, all contracts (including but not limited to customer contracts, service contracts and supplier contracts), deeds, bonds, indemnities, agreements, schemes, licenses, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of intent, arrangements and other instruments of whatsoever nature, to which the Amalgamating Company is a party or to the benefit of which the Amalgamating Company, may be eligible or for the obligations of which the Amalgamating Company, may be liable, and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour, as the case may be, of the Amalgamated Company and may be



enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee or obligor thereto.

- 23.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking of the Amalgamating Company occur by virtue of this Scheme itself, the Amalgamated Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite agreements with any party to any contract or arrangement to which the Amalgamating Company, are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions of Part D of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Amalgamating Company and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company to be carried out or performed.
- 23.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, and subject to the Applicable Law, all approvals, including municipal approvals, allocations, allotments, consents, authorities (including for the operation of bank accounts), concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorization, statutory rights, pre-qualifications, bid acceptances, tenders, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on their respective business or in connection therewith), permissions and certificates of every kind and description whatsoever in relation to the Amalgamating Company including powers of attorney given by the Amalgamating Company, or to the benefit of which the Amalgamating Company may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall stand transferred to the Amalgamated Company as if the same were originally given by, issued to or executed in favour of the Amalgamated Company, and the Amalgamated Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Amalgamated Company pursuant to the sanction of this Scheme by the Tribunal, and upon this Scheme becoming effective and with effect from the Appointed Date, in accordance with the terms hereof. The Amalgamated Company shall be entitled to make applications to any Governmental Authority as may be necessary in this behalf.
- 23.4 Upon effectiveness of the Scheme, the Amalgamated Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and



transactions in the name of the Amalgamating Company to the extent necessary until the transfer of the rights and obligations of the Amalgamating Company to the Amalgamated Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Amalgamating Company, after the Effective Date, shall be accepted by the bankers of the Amalgamated Company and credited to the accounts of the Amalgamated Company, if presented by the Amalgamated Company. Similarly, the bankers of the Amalgamated Company shall honour all cheques issued by the Amalgamating Company for payment after the Effective Date

- 23.5 Upon the effectiveness of this Scheme and with effect from the Appointed Date, all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, and other instruments of whatsoever nature to which the Amalgamating Company is a party to or to the benefit of which the Amalgamating Company may be eligible, shall remain in full force and effect against or in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto. Upon coming into effect of this Scheme and with effect from the Appointed Date, the past track record of the Amalgamating Company shall be deemed to be the track record of the Amalgamated Company for all purposes, including commercial and regulatory purposes.
- 23.6 Upon effectiveness of the Scheme and with effect from the Appointed Date, all bank accounts operated or entitled to be operated by the Amalgamating Company shall be deemed to have transferred and shall stand transferred to the Amalgamated Company and name of the Amalgamating Company shall be substituted by the name of the Amalgamated Company in the bank's records.
- 23.7 Without prejudice to the other provisions of this Scheme, upon effectiveness of this Scheme and with effect from the Appointed Date, all transactions between the Amalgamating Company and the Amalgamated Company, that have not been completed, shall stand cancelled.

24. TAXATION MATTERS

- 24.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Taxes paid, payable, received or receivable by or on behalf of the Amalgamating Company, including but not limited to all or any refunds, claims or entitlements or credits (including credits for income Tax, withholding Tax, advance Tax, self-assessment Tax, minimum alternate Tax, foreign Tax credits, CENVAT credit, goods and services Tax credits, other indirect Tax credits and other Tax receivables) shall, for all purposes, be treated as the Tax liability, refund, claims, including but not limited to claims under section 43B, section 40 of the Income Tax Act, or credit, as the case may be, of the Amalgamated Company, and any Tax incentives, benefits (including claims for



unabsorbed Tax losses and unabsorbed Tax depreciation), advantages, privileges, elections, exemptions, credits, Tax holidays, benefits of exercise of any option, remissions or reduction which would have been available to the Amalgamating Company, shall be available to the Amalgamated Company, and following the Effective Date, the Amalgamated Company shall be entitled to initiate, raise, add or modify any claims in relation to such Taxes on behalf of the respective Amalgamating Company.

- 24.2 Upon the Scheme becoming effective and with effect from the Appointed Date, the Amalgamated Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, central sales Tax law, applicable state value added Tax law, service Tax laws, excise duty laws, goods and services Tax laws and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.
- 24.3 All compliances with respect to Taxes or any other Applicable Law between the Appointed Date and the Effective Date, undertaken by the Amalgamating Company, shall, upon the effectiveness of this Scheme and with effect from the Appointed Date, be deemed to have been complied with, by the Amalgamated Company. Any Taxes deducted by the Amalgamated Company from payments made to the Amalgamating Company, shall be deemed to be advance tax paid by the Amalgamated Company

25. LEGAL PROCEEDINGS

- 25.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all legal, taxation or other proceedings whether civil or criminal including but not limited to suits, summary suits, indigent petitions, assessments, appeals, or other proceedings of whatever nature (hereinafter called the "Proceedings"), if any, by or against the Amalgamating Company, pending as on the Effective Date, shall not abate or be discontinued or be in any way prejudicially affected in any way by reason of the Scheme or by anything contained in the Scheme, but the Proceedings shall be continued, prosecuted and enforced, as the case may be, by or against the Amalgamated Company, in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Amalgamating Company, if the Scheme had not been made. On and from the Effective Date, the Amalgamated Company may initiate, defend, compromise or otherwise deal with any Proceedings for and on behalf of the Amalgamating Company. The Amalgamated Company undertakes to have all the Proceedings specified in this Clause, initiated by or against the Amalgamating Company, transfer to its name and to have such Proceedings continued, prosecuted and enforced, as the case may be, by or against the Amalgamated Company, subject to Applicable Law.



26. EMPLOYEES OF THE RESEPECTIVE TRANFEROR COMPANIES

- 26.1 With effect from the Effective Date, all the staff and employees, if any, of the Amalgamating Company, who are in such employment as on the Effective Date, shall become and be deemed to have become, the staff and employees of the Amalgamated Company, without any break in or interruption of service and on terms and conditions not less favourable than those on which they are engaged by the Amalgamating Company, as a result of the transfer and vesting of the Undertaking of the Amalgamating Company to the Amalgamated Company. Services of the staff and employees shall be taken into account from the date of their respective appointment with the Amalgamating Company, for the purposes of all retirement benefits and all other entitlements for which they may be eligible. For the purpose of payment of any retrenchment compensation or other termination benefits, if any, such past services with the Amalgamating Company shall also be taken into account by the Amalgamated Company.
- 26.2 With regard to provident fund, gratuity, superannuation, leave encashment and any other special scheme or benefits created by the Amalgamating Company, if any, which exist immediately prior to the Effective Date, the Amalgamated Company shall stand substituted for the Amalgamating Company for all purposes whatsoever, upon the coming into effect of this Scheme, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Amalgamating Company, in accordance with Applicable Law. It is hereby clarified that upon the coming into effect of this Scheme, such benefits and schemes shall continue to be provided to the transferred employees and the service of all transferred employees of the Amalgamating Company for such purpose shall be treated as having been continuous.
- 26.3 It is provided that as far as the provident fund, gratuity fund, pension, superannuation fund or any other special fund created or existing, including any payments towards state insurance, for the benefit of such employees of the Amalgamating Company are concerned, upon the Scheme becoming effective and with effect from the Appointed Date, the Amalgamating Company shall stand substituted by the Amalgamated Company for all purposes whatsoever relating to the administration or operation of such funds or trusts or in relation to the obligation to make contribution to the said funds or trusts in accordance with the provisions of such funds or trusts as provided in the respective trust deeds or other documents. Upon the Scheme becoming effective and with effect from the Appointed Date, the contributions made by the Amalgamating Company to the said funds and trusts for the period after the Appointed Date shall be deemed to be made by the Amalgamated Company. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Amalgamating Company, in relation to such funds or trusts shall become those of the Amalgamated Company. The trustees including the Boards of the Amalgamating Company and the Amalgamated Company or through any committee / person duly authorized by the Boards in this regard shall be entitled to adopt such course of action in this



regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees.

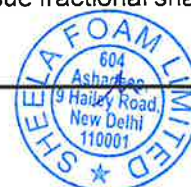
27. CONSIDERATION

- 27.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, and in consideration of the transfer of and vesting of the Undertaking of the Amalgamating Company in the Amalgamated Company pursuant to Part D of this Scheme (after coming into effect of Part C of the Scheme, i.e. after transfer and vesting of the Undertaking of the Transferor Companies with the Transferee Company), the Amalgamated Company shall, without any further application, act or deed, issue and allot to the equity shareholders of the Amalgamating Company whose names are recorded in the register of members as a member of the Amalgamating Company on the Record Date (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of the Amalgamated Company) Fifty (In words) equity shares, credited as fully paid-up, for every One Hundred (In words) equity shares of the face value of Rs. 5 (Rupees Five) each fully paid-up held by such member in the Amalgamating Company ("**Share Exchange Ratio**"). The equity shares to be issued by the Amalgamated Company to the shareholders of Amalgamating Company in accordance with this Clause 27.1 shall be hereinafter referred to as "**New Equity Shares**".
- 27.2 In the event of there being any pending share transfers, whether lodged or outstanding, of any equity shareholder of the Amalgamating Company, the Board of the Amalgamated Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, as the case may be, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transfer of the shares in the Amalgamating Company and in relation to the shares issued by the Amalgamated Company, after the effectiveness of the Scheme. The Board of the Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Amalgamated Company on account of difficulties faced in the transition period. Where New Equity Shares of the Amalgamated Company are to be allotted to heirs, executors or administrators, as the case may be, to successors of deceased equity shareholders or legal representatives of the equity shareholders of the Amalgamating Company, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of the Amalgamated Company.
- 27.3 Where New Equity Shares of the Amalgamated Company are to be allotted to heirs, executors or administrators, as the case may be, to successors of deceased equity shareholders or legal representatives of the equity shareholders of the Amalgamating Company, the concerned heirs,



executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of the Amalgamated Company.

- 27.4 The New Equity Shares of the Amalgamated Company allotted and issued in terms of Clause 27.1 above, shall be listed and/ or admitted to trading on the Stock Exchanges, where the equity shares of the Amalgamated Company are listed and/ or admitted to trading as on the Effective Date. The New Equity Shares of the Amalgamated Company shall, however, be listed subject to the Amalgamated Company obtaining the requisite approvals from all the relevant Governmental Authorities pertaining to the listing of the New Equity Shares of the Amalgamated Company. The Amalgamated Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.
- 27.5 Upon the Scheme becoming effective and upon the New Equity Shares of the Amalgamated Company being allotted and issued by it to the shareholders of the Amalgamating Company whose names appear on the register of members as a member of the Amalgamating Company on the Record Date or whose names appear as the beneficial owners of the equity shares of the Amalgamating Company in the records of the depositories/ register of members, as the case may be, as on the Record Date, the equity shares of the Amalgamating Company, both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date.
- 27.6 The New Equity Shares of the Amalgamated Company to be allotted and issued to the shareholders of the Amalgamating Company as provided in Clause 27.1 above shall be subject to the provisions of the memorandum and articles of association of the Amalgamated Company and shall rank pari-passu in all respects with the existing equity shares after the Effective Date including in respect of dividend, if any, that may be declared by the Amalgamated Company on or after the Effective Date.
- 27.7 The issue and allotment of the New Equity Shares by the Amalgamated Company to the equity shareholders of the Amalgamating Company as provided in the Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Amalgamated Company or its shareholders and as if the procedure laid down under Section 62 or any other applicable provisions of the Companies Act, as may be applicable, and such other statutes and regulations as may be applicable were duly complied with.
- 27.8 For the purposes of allotment of the New Equity Shares, pursuant to this Scheme, in case any Amalgamating Company's shareholder becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of the New Equity Shares by the Amalgamated Company in accordance with Clause 27.1 above, the Amalgamated Company shall not issue fractional shares



to such shareholder and shall consolidate all such fractional entitlements and round up the aggregate of such fractions to the next whole number and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Amalgamated Company ("**Trustee**"), who shall hold such New Equity Shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices at any time within a period of 90 (ninety) days from the date of allotment, and on such sale, distribute the net sale proceeds (after deduction of the expenses incurred and applicable income Tax) to the respective shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds shall be rounded off to the next Rupee. It is clarified that any such distribution shall take place only on the sale of all the fractional shares of the Amalgamated Company by the Trustee pertaining to the fractional entitlements.

- 27.9 Unless otherwise notified in writing on or before such date as may be determined by the Board of the Amalgamated Company or a committee thereof, the New Equity Shares issued to the equity shareholders of the Amalgamating Company by the Amalgamated Company shall be issued in dematerialized form by the Amalgamated Company, provided that the details of the depository accounts of the members of the Amalgamating Company are made available to the Amalgamated Company by the Amalgamating Company at least 2 (Two) working days prior to the Effective Date. In case of equity shareholders for whom such details are not available with the Amalgamated Company and in case of the equity shareholders of the Amalgamating Company who hold equity shares in physical form, the Amalgamated Company shall deal with the issuance of the relevant New Equity Shares in such manner as may be permissible under the Applicable Law, including by way of issuing the said New Equity Shares in dematerialised form to a demat account held by a trustee nominated by the Board of the Amalgamated Company or into an escrow account opened by the Amalgamated Company or an escrow agent nominated by it, with a depository, as determined by the Board of the Amalgamated Company, where such New Equity Shares of the Amalgamated Company shall be held on for the benefit of such shareholders (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title) of the Amalgamated Company. The New Equity Shares so held in such trustee's account or escrow account, as the case may be, shall be transferred to the respective shareholders once such shareholder provides details of his/ her/ its demat account to the Amalgamated Company, along with such documents as may be required by the Amalgamated Company. The respective shareholders shall have all the rights of the shareholders of the Amalgamated Company, including the right to receive dividend, voting rights and other corporate benefits, pending such transfer of the said New Equity shares from the said trustee's account or



the escrow account, as the case may be. All costs and expenses incurred in this respect shall be borne by Amalgamated Company.

27.10 The New Equity Shares to be issued by the Amalgamated Company pursuant to Clause 27.1 above in respect of such equity shares of the Amalgamating Company as are subject to lock-in pursuant to Applicable Law, if applicable, shall remain locked-in as required under the Applicable Law.

27.11 The New Equity Shares to be issued by the Amalgamated Company pursuant to Clause 27.1 above in respect of such equity shares of the Amalgamating Company, the allotment or transfer of which is held in abeyance under the Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Amalgamated Company.

27.12 The Amalgamated Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the concerned Stock Exchanges.

27.13 The New Equity Shares allotted pursuant to the Scheme shall remain frozen in the depositories system until listing/trading permission is given by the Stock Exchanges, as the case may be.

27.14 In the event, the Amalgamating Company or the Amalgamated Company restructures their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio, per Clause 27.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions.

28. CANCELLATION OF EQUITY SHARES HELD BY THE AMALGAMATED COMPANY IN THE AMALGAMATING COMPANY

28.1 Simultaneous with the issuance of the New Equity Shares, in accordance with Clause 27 of this Scheme, the existing issued and paid-up equity share capital of the Amalgamating Company, as held by the Amalgamated Company, shall, without any further application, act, instrument or deed, be automatically cancelled.

28.2 The cancellation of the equity share capital held by the Amalgamated Company in the Amalgamating Company, in accordance with Clause 28.1 of this Scheme, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the Companies Act and the order of the Tribunal sanctioning this Scheme shall be deemed to be an order under Section 66 of the Companies Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of Amalgamating Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the



provisions of Section 66 of the Companies Act as well and no further compliances would be separately required.

29. ACCOUNTING TREATMENT IN THE BOOKS OF AMALGAMATED COMPANY

29.1 The Amalgamated Company, shall, upon this Scheme becoming effective and with effect from the Appointed Date, account for the amalgamation of the Amalgamating Company with the Amalgamated Company, on completion of all substantial conditions for the transfer, in accordance with "Pooling of Interests Method" laid down in Appendix C of Ind AS-103 (Business Combinations of entities under common control) notified under Section 133 of the Companies Act, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, such that:

29.1.1 The Amalgamated Company shall record the assets, liabilities and reserves, if any, of the Amalgamating Company vested in it pursuant to this Scheme, at the respective book values and in the same form as appearing in the Consolidated financials of Amalgamated Company

29.1.2 The identity of the reserves shall be preserved and the Amalgamated Company shall record the reserves of the Amalgamating Company in the same form and at the carrying amount as appearing in the consolidated financial statements of Amalgamated Company

29.1.3 The value of investment held by the Amalgamated Company in the Amalgamating Company shall stand cancelled pursuant to the amalgamation.

29.1.4 Pursuant to the amalgamation of the Amalgamating Company with the Amalgamated Company, the inter-company balances between the Amalgamated Company and the Amalgamating Company, if any, appearing in the books of the Amalgamated Company and the value of all investments held by the Amalgamated Company in the Amalgamating Company shall stand cancelled.

29.1.5 The surplus/deficit, if any arising after taking the effect of clause 29.1.1, clause 29.1.2, clause 29.1.3 and after giving the effect of the adjustments referred to in clause 29.1.4, shall be transferred to the "Capital Reserve" in the financial statements of the Amalgamated Company and shall be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

29.1.6 In case of any difference in the accounting policy between the Amalgamating Company and the Amalgamated Company, the accounting policies followed by the Amalgamated



Company will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.

29.1.7 Comparative financial information in the financial statements of the Amalgamated Company shall be restated for the accounting impact of amalgamation, as stated above, as if the amalgamation had occurred from the beginning of the comparative period. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

29.1.8 Any matter not dealt with in the Clause hereinabove shall be dealt with in accordance with the accounting standards applicable to the Amalgamated Company.

30. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

30.1 From the date on which the Boards of the Amalgamating Company and the Amalgamated Company approve the Scheme until the Effective Date, the Amalgamating Company and the Amalgamated Company shall carry on their respective businesses with reasonable diligence and business prudence in the ordinary course consistent with past practice, in accordance with Applicable Law and as mutually agreed between the Amalgamating Company and the Amalgamated Company. Notwithstanding anything contained in the Scheme to the contrary, the Amalgamating Company and the Amalgamated Company shall be able to raise capital from the date on which the Boards of the Amalgamating Company and the Amalgamated Company approve the Scheme, as it may deem fit.

31. DISSOLUTION OF THE AMALGAMATING COMPANY

31.1 Upon the coming into effect of Part D of this Scheme and with effect from the Appointed Date, of the Amalgamating Company shall stand dissolved without being wound up, without any further act or deed and no specific accounting is prescribed in the Indian Accounting Standards specified under Section 133 of the Act for such transfer.

32. CONSOLIDATION OF THE AUTHORISED SHARE CAPITAL OF THE AMALGAMATING COMPANY WITH THE AUTHORISED SHARE CAPITAL OF THE AMALGAMATED COMPANY

32.1 Upon Part D of the Scheme becoming effective and with effect from the Appointed Date, the resultant authorized share capital of the Amalgamating Company (i.e., after consolidation of authorised share capital of Transferor Companies with the Transferee Company pursuant of Part C of the Scheme) shall stand transferred to and be amalgamated/combined with the authorized share capital of the Amalgamated Company. The fees or stamp duty, if any, paid by the Amalgamating Company on their authorized share capital shall be deemed to have been so paid by the Amalgamated Company on the combined authorized share capital, and the Amalgamated



Company shall not be required to pay any fee/ stamp duty for the increase of the authorized share capital. The authorized share capital of the Amalgamated Company will automatically stand increased to that effect by simply filing the requisite forms with the Registrar of Companies and no separate procedure or instrument or deed shall be required to be followed under the Companies Act.

Clause V. of the memorandum of association of the Amalgamated Company shall, upon the Scheme becoming effective, and without any further act, instrument or deed, be replaced by the following clause:

“V. The Authorised Share Capital of the Company is Rs. 2,25,55,50,000/- (Rupees Two Hundred Twenty-Five Crores Fifty-Five Lakhs and Fifty Thousand Only) comprising of 45,11,10,000 (Forty-Five Crores Eleven Lakhs Ten Thousand Only) equity shares of the face value of Rs. 5/- (Rupees Five only) each.”

- 32.2 For the avoidance of doubt, it is hereby clarified that if the authorized share capital of the Amalgamating Company or the Amalgamated Company undergoes any change, either as a consequence of any corporate action or otherwise, then, this Clause 32.1 shall automatically stand modified to take into account the effect of such change.
- 32.3 The approval of this Scheme by the equity shareholders of the Amalgamated Company under Sections 230 to 232 of the Companies Act, shall be deemed to have been an approval under Section 13, Section 61 and Section 64 or any other applicable provisions under the Companies Act and no further resolution(s) would be required to be separately passed in this regard.



PART E – GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME

33. SEQUENCE OF EVENTS

33.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, the following shall be deemed to have occurred, only in the sequence and in the order mentioned hereunder:

- a. filing of certified copies of the order(s) of the Tribunal with the Registrar of Companies by each of the Transferor Companies and the Transferee Company, pursuant to which, the amalgamation of the Transferor Companies into and with the Transferee Company, in accordance with Part C of this Scheme shall become effective;
- b. reorganization/reclassification of the respective authorized share capital of the Transferor Companies, in accordance with Part C of the Scheme;
- c. transfer of the respective authorized share capital of the Transferor Companies to the Transferee Company and consequential increase in the authorized share capital of the Transferee Company in accordance with Part C of the Scheme;
- d. cancellation of the equity shares issued by the respective Transferor Companies to the Transferee Company, in accordance with Part C of the Scheme;
- e. dissolution of the respective Transferor Companies without being wound up, in accordance with Part C of the Scheme;
- f. filing of certified copies of the order(s) of the Tribunal with the Registrar of Companies by the Amalgamating Company and the Amalgamated Company, pursuant to which, the amalgamation of the Amalgamating Company into and with the Amalgamated Company, in accordance with Part D of this Scheme shall become effective;
- g. transfer of the authorized share capital of the Amalgamating Company to the Amalgamated Company and consequential increase in the authorized share capital of the Amalgamated Company in accordance with Part D of the Scheme;
- h. dissolution of the Amalgamating Company without being wound up, in accordance with Part D of the Scheme;



- i. cancellation of the shareholding of the Amalgamated Company in the Amalgamating Company in its entirety, without any further act or deed, in accordance with Part D of the Scheme;
- j. issue and allotment of New Equity Shares of the Amalgamated Company to the shareholders of the Amalgamating Company as of the Record Date in accordance with Part D of this Scheme; and

34. DIVIDEND

34.1 The Parties shall be entitled to declare and pay dividends to their respective shareholders in the ordinary course of business, whether interim or final, as per their respective dividend policies consistent with the past practice (except any years for which dividend declaration and payout was restricted by any Governmental Authority) in respect of the accounting period after the date of approval of the Scheme by the Board of the Parties and prior to the Effective Date.

34.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferor Companies, Amalgamating Company and/or the Amalgamated Company to demand or claim any dividends which, subject to Clause 34.1 and the provisions of the Companies Act, shall be entirely at the discretion of the Board of the Transferor Companies, Amalgamating Company and/or Amalgamated Company, as the case may be, and subject, wherever necessary, to the approval of the respective shareholders.

35. APPLICATION AND PETITION TO THE TRIBUNALS AND APPROVALS

35.1 Each of the Transferor Companies, Amalgamating Company and the Amalgamated Company, respectively, shall, with all reasonable dispatch, make and file all applications/petitions under Sections 230 to 232 read with other applicable provisions of the Companies Act, to the Tribunal, for sanction of this Scheme and for dissolution of the Transferor Companies and the Amalgamating Company, respectively.

35.2 The Amalgamated Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any Applicable Law for such consents and approvals which the Amalgamated Company may require to own the Undertaking of the Amalgamating Company and to carry on the business of the Amalgamating Company

36. MODIFICATION OR AMENDMENT TO THE SCHEME

36.1 The Parties by their respective Boards, acting jointly but not individually, at any time, may make and/ or consent to any modifications/ amendments to the Scheme, or to any conditions or



limitations that the Tribunal or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the Tribunal or such other Governmental Authority, whether in pursuance of a change in Applicable Law or otherwise. The Parties by their respective Boards, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith.

36.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Parties, acting jointly, may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulties that may arise and such determination or directions, as the case may be, shall be binding on all the Parties, in the same manner as if the same were specifically incorporated in this Scheme.

37. VALIDITY OF EXISTING RESOLUTIONS, ETC.

37.1 Upon the coming into effect of the Scheme, the resolutions of each of the Transferor Companies and the Amalgamating Company as are considered necessary by the Board of Amalgamated Company which are validly subsisting on the Effective Date, be considered as resolutions of Amalgamated Company. If any such resolutions have any monetary limits approved under the provisions of the Companies Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Amalgamated Company, shall be added to the limits, if any, under the like resolutions passed by Amalgamated Company.

38. CONDITIONALITY OF SCHEME

38.1 Unless otherwise decided (or waived) by the Parties, the effectiveness of this Scheme is and shall be conditional upon and subject to the fulfilment or waiver (to the extent permitted under the Applicable Law) of the following conditions precedent -

- a. the requisite consent, approval or permission of relevant Governmental Authorities including but not limited to the Stock Exchanges approval, in relation to the Scheme having been obtained by the relevant Parties;
- b. this Scheme being approved by the requisite majorities of the various classes of the shareholders and creditors (where applicable) of each of the Parties, as required under the Companies Act or dispensation having been received from the Tribunal in relation to obtaining such approval from the members and/or creditors or any Applicable Law



permitting the respective Parties not to convene the meetings of its members and/or creditors;

- c. the sanctions and orders of the Tribunal for the Scheme, under Sections 230 to 232 of the Companies Act being obtained by the Parties and the Parties having received a certified true copy of order of the Tribunal approving the Scheme;
- d. such other conditions as may be mutually agreed between the Amalgamating Company and the Amalgamated Company

38.2 It is hereby clarified that (i) Part C of this Scheme will take effect prior to Part D of this Scheme; and (iii) submission of this Scheme to the Tribunal and to the Governmental Authorities for their respective approvals is without prejudice to all rights, interests, titles or defenses that Parties may have under or pursuant to all Applicable Law.

38.3 On the approval of this Scheme by each class of shareholders of the Parties and such other classes of Persons of the Parties, if any, such classes of shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Companies Act or under any contract, arrangement/agreement subsisting between such Persons and the Parties, for the Scheme and/or any action taken in terms of or pursuant to the Scheme.

39. EFFECT OF NON-SATISFACTION OF THE CONDITIONS/ NON-RECIPT OF APPROVALS/ SANCTIONS

39.1 In the event of any of the said approvals referred to in Clause 38 above not being obtained and/ or complied with and/ or satisfied and/ or this Scheme not being sanctioned by the Tribunal and/ or order or orders not being passed as aforesaid before the expiry of 24 (Twenty Four) months from the last of the dates of approval of the Scheme by the respective Boards of each of the Parties, any Party may terminate this Scheme and upon such termination this Scheme shall stand revoked, cancelled and be of no effect. Provided that, in case of non-satisfaction of any other conditions precedent, the Parties shall proceed in such manner as may be mutually agreed between them.

39.2 If any provision of this Scheme hereof is invalid, ruled illegal by the Tribunal, or unenforceable under present or future Applicable Laws, then such provision (so far as it is invalid or unenforceable) shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to either any of the Parties, then in such case the Parties shall attempt to bring about a modification in the



Scheme, as will best preserve for the Amalgamated Company the benefits and obligations of the Scheme, including but not limited to such provision.

- 39.3 If any proposed modification/ amendment to this Scheme under Clause 36, materially adversely affects the interest of any of the Transferor Companies, Amalgamating Company or the Amalgamated Company, then such modification/ amendment shall not be binding on such affected Party, and such Party shall have the right to withdraw the Scheme.
- 39.4 Parties, acting jointly and not individually, shall be at liberty to withdraw the Scheme from the Tribunal, any time before the coming into effect of this Scheme.

40. COSTS, CHARGES AND EXPENSES

- 40.1 All costs, charges, Taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred by any of Parties in carrying out and implementing this Scheme and matters incidentals thereto, shall be respectively borne by such Parties, till the Effective Date.
- 40.2 All costs, charges, Taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred by any of Parties in carrying out and implementing this Scheme and matters incidentals thereto, after the Effective Date, shall be borne by the Amalgamated Company.



ADVISORY / VALUATION REPORT TO RECOMMEND FAIR EXCHANGE RATIO UPON
MERGER BETWEEN

-Amalgamated Company –

SHEELA FOAM LIMITED

-Transferee Company/ Amalgamating Company –

KURLON ENTERPRISE LIMITED

Transferor Companies

1. BELVEDORE INTERNATIONAL LIMITED
2. KANVAS CONCEPTS PRIVATE LIMITED
3. KURLON RETAIL LIMITED
4. KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED
5. STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED

Arunesh Kumar Dubey
Registered Valuer-Securities or Financial Assets
IBBI Registration No. IBBI/RV/03/2020/12786

Ref. No. FY 2023-24/2nd half/88

Date: 28.03.2024

To,
The Board of Director
Sheela Foam Limited
604 Ashadeep, 9 Hailey Road,
New Delhi, India, 110001

The Board of Directors
Kurlon Enterprise Limited
#1002/1006, The Avenue, International A
Opp. Hotel Leela, Andheri (East),
Mumbai, Maharashtra,
India, 400059

Subject: Recommendation of share exchange ratio

Dear Sir,

In accordance with the terms of our engagement, we have prepared a valuation report to recommend the fair share exchange ratio (the "Share Exchange Ratio") for the proposed amalgamation of Kurlon Enterprise Limited ("KEL") with Sheela Foam Limited ("SFL") on a going concern basis with effect from the appointed date (as defined in the scheme) ("**Proposed Amalgamation**"), as more particularly provided for in the Composite Scheme of Arrangement Belvedere International Limited ("**BIL**" or "**Transferor Company 1**"), Kanvas Concepts Private Limited ("**KCPL**" or "**Transferor Company 2**"), Kurlon Retail Limited ("**KRL**" or "**Transferor Company 3**"), Komfort Universe Products And Services Limited ("**KUPSL**" or "**Transferor Company 4**"), Starship Value Chain and Manufacturing Private Limited ("**SVC MPL**" or "**Transferor Company 5**"), Kurlon Enterprise Limited ("**KEL**" or "**Transferee Company**" or "**Amalgamating Company**") and Sheela Foam Limited ("**SFL**" or "**Amalgamated Company**" or "**Company**") and their respective shareholders and creditors (the "**Scheme**") as per the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013, as explained below.

Sheela Foam Limited ("SFL") is engaged in the business of manufacture flexible, semi-flexible and rigid Poly-Urethane Foam slabs and allied products and processing and fabrication thereof and mattresses and cushions upholstery material, manufacture of furniture; packing material and insulation material, molding of rigid Poly- Urethane for various shapes and size and manufacture of jackets and such other items by way of lamination of Poly-Urethane Foam with fabric and manufacture of products that may be allied or may be usefully combined with manufacture of any of the material mentioned above.

Kurlon Enterprise Limited ("KEL") is engaged in the business of manufacturing/trading in diverse areas such as rubberized coir, latex foam, polyurethane foam, bonded foam, pillows, spring mattresses, furniture, furnishings, sofas etc.

Pursuant to the Proposed Amalgamation and subject to necessary approvals, KEL (the "Transferee Company") is proposed to be merged into SFL (the "Amalgamated Company") with effect from **20th October, 2023 ("Appointed Date")**.

For this report, Transferee Company and Amalgamated Company are collectively referred to as the "Companies" (as of the valuation date).



We have been appointed by the management of "Sheela Foam Limited" or the "Amalgamated Company" and "Kurlon Enterprise Limited" or the "Amalgamating Company" as the Registered Valuer on **24th February 2024** to carry out equity share valuation of companies and to recommend the fair Share Exchange Ratio for the Proposed Amalgamation for the compliance of the requirements of Securities Exchange Board of India and the Companies Act, 2013.

For this valuation, we have carried out relative valuations of the Companies and the valuation is based on 'going concern' premise.

Our analysis and report are in conformity with the "**International Valuation Standards**" (IVS). In addition to the general standards/ guidelines issued by the ICSI RVO.

The report sets out our recommendation of the fair Share Exchange Ratio and discusses the methodologies and approach considered in the computation of the relative fair values of the Companies.

This report must be considered in the above-mentioned context only and is not an advisory document for any other purpose. The report may not be distributed, reproduced, or used, without our express written consent for any purpose other than mentioned above.

In rendering the advisory services, we reviewed and relied upon various materials/ information provided by the management and its advisors. Our report is based on the historical financial information provided to us by the management. Because of the limited purpose of this report, the financial information presented in this report may be incomplete and contain departures from generally accepted accounting principles. We have not audited, reviewed, or compiled the financial information provided by the management and express no assurance on it.

Based on our study and analytical review procedures, and subject to the limitations expressed within this report, the recommended fair Share Exchange Ratio for the Proposed Amalgamation of KEL with SFL, is:

"52 equity shares of SFL of INR 5 each fully paid up for every 100 equity shares of KEL of INR 5 each fully paid up."

We have no present or contemplated financial interest in SFL, KEL and their subsidiaries and/or associate companies. Our fees for this valuation are based upon our normal billing rates and are in no way contingent upon the results of our findings. We have no responsibility to update this report for events and circumstances occurring subsequent to the date of this report. This report is not to be copied or made available to any persons without the express written consent.



(Arunesh Kumar Dubey)
Registered Valuer (Securities or Financial Assets)
IBBI Registration No. IBBI/RV/03/2020/12786

ENGAGEMENT OVERVIEW

Arunesh Kumar Dubey, Valuer registered with Insolvency and Bankruptcy Board of India under Securities or Financial Assets class, has been engaged to prepare and deliver a report for recommendation of share exchange ratio (hereinafter referred to as "Fair Equity Share Exchange Ratio") for the Proposed Amalgamation of Kurlon Enterprise Limited into Sheela Foam Limited (hereinafter jointly referred to as "Companies") on going concern basis. Accordingly, Registered Valuer has prepared the report on the recommendation of fair equity share exchange ratio for Proposed Amalgamation.

A. PURPOSE AND SCOPE

The purpose of this report is to arrive at the proposed Share Exchange Ratio to be computed based on the relative valuation of the equity shares of the Companies as of the Valuation Date to comply with the valuation requirements of Securities Exchange Board of India and the Companies Act, 2013 with respect to the Proposed Amalgamation of the Companies.

The scope of services includes conducting relative valuation (not absolute valuation) of the equity shares of the Companies without considering the effect of Proposed Amalgamation and to provide a recommendation on Shares Exchange Ratio.

B. PREMISE OF VALUE

The present valuation of the company is undertaken by **Going Concern** (the company will continue to operate in future and earn cash flows).

C. RELEVANT DATE AND VALUATION DATE

For Sheela Foam Limited Relevant date is 28th March, 2024
For Kurlon Enterprise Limited Valuation date is 31st December, 2023

D. CONFLICT OF INTEREST

The Valuer is not related to the Company or its promoters or its director or their relatives, the valuer has not any interest or conflict of interest with respect to the valuation under consideration

E. VALUATION STANDARD

We have prepared our report as per the **International Valuation Standards (IVS)**

F. SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

This report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. Further our report on recommendation of fair equity share exchange ratio is in accordance with International Valuation Standards



- This report has been prepared for board of directors of the Companies solely for the purpose of recommending a fair Share Exchange Ratio for the Proposed Amalgamation.
- Valuation is not a precise science, and the conclusions arrived at will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While we have provided an assessment of value by applying certain formulae which are based on the information available, others may place a different value
- The Management has represented that the Companies have clear and valid title of assets. No investigation on the Companies' claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid.
- The draft of the present report (excluding the recommended fair equity share exchange ratio) was circulated to the management to confirm the facts stated in the report and to confirm that the information or facts stated are not erroneous.
- For this exercise, we were provided with both written and verbal information including information detailed in the section 'Sources of Information' of this report. Further, the responsibility for the accuracy and completeness of the information provided to us by the Companies/auditors/consultants is that of the Companies. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Management that they have not omitted any relevant and material factors about the Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies, or misstatements by the Management may materially affect our valuation analysis/conclusions.
- Our work does not constitute an audit, due diligence or certification of the information referred to in this report including information sourced from public domain. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any information referred to in this report and the consequential impact on the present exercise. However, nothing has come to our attention to indicate that the information provided/obtained was materially misstated/incorrect or would not afford reasonable grounds upon which to base the report.
- Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report as agreed with the Management.
- Our recommendation is based on the estimates of future financial performance as projected by the Management, which represents their view of reasonable expectation at the point of time when they were prepared, after giving due considerations to commercial and financial aspects of the Companies and the industry in which the Companies operate. But such information and estimates are not offered as assurances that a particular level of income or profit will be achieved, or events will occur as predicted. As part of our evaluation process, we have evaluated the reasonableness of the projections prepared by the Management and had discussion with the Management to understand the basis and assumptions for the preparation of projections. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as being associated with or a party to such projections
- A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other



matter, which may have an impact on our opinion, on the fair value of the shares of the Companies including any significant changes that have taken place or are likely to take place in the financial position of the Companies. Events and transactions occurring after the date of this report may affect the report and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this report.

- The fee for the engagement and this report is not contingent upon the results reported. We have no present or contemplated financial interest in any of the Companies.
- Our report is not, nor should it be construed as opining or certifying the compliance of the proposed transaction with the provisions of any law including companies, competition, taxation (including transfer pricing) and capital market related laws or as regards any legal implications or issues arising in India or abroad from such Proposed Amalgamation.
- Any person/party intending to provide finance/invest in the shares/convertible instruments/business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- The decision to carry out the transaction (including consideration thereof) lies entirely with the Management and our work, and our finding shall not constitute a recommendation as to whether or not the Management should carry out the transaction.
- This report is meant only for the purpose mentioned in the report and should not be used for any purpose other than the purpose mentioned therein. It is exclusively for the use of the Companies and for submission to any regulatory/statutory authority as may be required under any law. This report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to whom the report is disclosed or otherwise made available.
- Neither valuer, nor our partners and employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information based on which the valuation is carried out. All such parties expressly disclaim any and all liability for/or based on or relating to any such information contained in the valuation.

G. SCOPE OF ANALYSIS

Our expression of the recommendation of the fair Share Exchange Ratio based on the relative fair values of the Companies is supported by all procedures that we deem to be relevant. We have obtained sufficient information and relied on the data, facts, information, documents and explanations as authenticated, and provided to us by the Management. Our recommendation is based on the information listed below.

- Proposed Scheme of Arrangement
- Consolidated Provisional financial statements of Kurlon Enterprise Limited (Amalgamating Company) for the period 01st April 2023 to 31st December 2023 and next ten years consolidated projections and
- Other information provided as well as discussions held with the management and other personnel of the Companies; and
- Published and secondary sources of data whether or not made available by the Companies.



- Representations given by the management are either written or oral from time to time.
- Supporting data, copies of source documents and other pertinent information supporting our opinion of value are maintained in our files.
- The Company has been provided with an opportunity to review the draft report as part of my standard practice to make sure the factual inaccuracies/ omissions are avoided in my report.

H. COMPANIES OVERVIEW:

1. **Sheela Foam Limited** ("SFL") was incorporated as a public limited company on June 18, 1971, under the provisions of the Companies Act, 2013 with corporate identification number L74899DL1971PLC005679 and having its registered office situated at 604 Ashadeep, 9 Hailey Road, New Delhi, India, 110001 ("hereinafter referred to as "**Amalgamated Company**").

The equity shares of SFL are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") (collectively hereinafter referred to as "Stock Exchanges").

SFL is engaged in the business of manufacture flexible, semi-flexible and rigid Poly-Urethane Foam slabs and allied products and processing and fabrication thereof and mattresses and cushions upholstery material, manufacture of furniture; packing material and insulation material, molding of rigid Poly- Urethane for various shapes and size and manufacture of jackets and such other items by way of lamination of Poly-Urethane Foam with fabric and manufacture of products that may be allied or may be usefully combined with manufacture of any of the material mentioned above.

Shareholding Pattern

The shareholding pattern of SFL as on the Valuation Date is provided in the table below.

| Sheela Foam Limited | | |
|---|-----------------|----------------------|
| Shareholding Pattern as on Valuation Date | | |
| Name of shareholders | Category | No. of Shares |
| Tushaar Gautam | Promoter | 34172628 |
| Rahul Gautam | Promoter | 12418970 |
| Namita Gautam | Promoter Group | 11431758 |
| Rangoli Resorts Private Limited | Promoter | 13150818 |
| Public | Public | 37523167 |



2. **Kurlon Enterprise Limited ("KEL")** was incorporated as a public limited company on October 03, 2011, under the provisions of the Companies Act, 2013 with corporate identification number U36101MH2011PLC222657 and having its registered office situated at #1002/1006, The Avenue, International A Opp. Hotel Leela, Andheri (East), Mumbai, Maharashtra, India, 400059 ("hereinafter referred to as **Transferee Company**" or the "**Amalgamating Company**"). KEL is engaged in the business of manufacturing/trading in diverse areas such as rubberized coir, latex foam, polyurethane foam, bonded foam, pillows, spring mattresses, furniture, furnishings, sofas etc.

| Kurlon Enterprise Limited Shareholding Pattern as on Valuation Date | | |
|---|----------------|---------------|
| Name of shareholders | Category | No. of Shares |
| Sheela Foam Limited | Listed Company | 35545951 |
| Public | Public | 1006310 |

3. **Belvedere International Limited ("BIL")** was incorporated as a public limited company on December 21, 2020, under the provisions of the Companies Act, 2013 with corporate identification number U52520KA2020PLC142418 and having its registered office situated at N-301, 3rd Floor, North Block Manipal Centre 47 Dickenson Road, Bangalore, Karnataka, India, 560042 ("hereinafter referred to as **Transferor Company 1**"). BIL is a wholly owned subsidiary of KEL. BIL is engaged in the business of buying, selling, reselling, importing, exporting, transporting, storing, promoting, marketing, manufacturing, or supplying, trading, dealing in any manner whatsoever in all type of goods including mattresses, pillows, furniture and other related products and services of international brands on retail and B2B basis in India.
4. **Kanvas Concepts Private Limited ("KCPL")** was incorporated as a private limited company on September 22, 2020, under the provisions of the Companies Act, 2013 with corporate identification number U74999KA2020PTC138867 and having its registered office situated at N-301, 3rd Floor, North Block Manipal Centre 47 Dickenson Road, Bangalore, Karnataka, India, 560042 ("hereinafter referred to as **Transferor Company 2**"). KCPL is a wholly owned subsidiary of KEL. KCPL is engaged in the business of interiors & exteriors of Homes, stage designer, furnishing, designing, decorating, renovating and remodeling of bungalows, houses, shops, show rooms, complexes, apartments, offices, hotels, restaurants and other commercials and residential houses and for the purpose to act as organizer, consultant, advisor, trader, buyer, seller, supervisor, surveyor, broker, agent and to do all other incidental acts and things necessary for the attainment of the above objects.



5. **Kurlon Retail Limited ("KRL")** was incorporated as a public limited company on August 31, 2012, under the provisions of the Companies Act, 2013 with corporate identification number U36104KA2012PLC065664 and having its registered office situated at N-301, 3rd Floor, North Block Manipal Centre 47 Dickenson Road, Bangalore, Karnataka, India, 560042 ("hereinafter referred to as **Transferor Company 3**"). KRL is a wholly owned subsidiary of KEL. KRL is engaged in the business of buying, selling, storing, promoting, marketing, supplying, trading, and dealing in mattresses, pillow, sofa, and furniture on retail in India

6. **Komfort Universe Products and Services Limited ("KUPSL")** was incorporated as a public limited company on January 18, 2021, under the provisions of the Companies Act, 2013 with corporate identification number U52520KA2021PLC143244 and having its registered office situated at N-301, 3rd Floor, North Block Manipal Centre 47 Dickenson Road, Bangalore, Karnataka, India, 560042 ("hereinafter referred to as **Transferor Company 4**"). KUPSL is a wholly owned subsidiary of KEL. KUPSL is engaged in the business of buying, selling, reselling, importing, exporting, transporting, storing, promoting, marketing, supplying dealing, and trading of semi-finished goods (SFG), foam products, RC Pads, EPE Products and other related products and services on B2B basis in India and outside India.

7. **Starship Value Chain and Manufacturing Private Limited ("SVC MPL")** was incorporated as a private limited company on October 09, 2020, under the provisions of the Companies Act, 2013 with corporate identification number U36900KA2020PTC139535 and having its registered office situated at N-301, 3rd Floor, North Block Manipal Centre 47 Dickenson Road, Bangalore, Karnataka, India, 560042 ("hereinafter referred to as **Transferor Company 5**"). SVC MPL is a wholly owned subsidiary of KEL. SVC MPL is engaged in the business as manufacturer, designers, buyers, sellers, importers, exporters, workers, transporters, suppliers of all types of home comfort products, home décor items including furniture mattresses, pillows, cushions, perfumers on retail and manufacture of all types of furniture equipment appliances for domestic, office, industrial as well as on wholesale basis in India as well as outside India



I. SCHEME OVERVIEW

Composite Scheme of Arrangement ("Scheme") provides for:

- (i) Amalgamation of Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4, Transferor Company 5 (collectively hereinafter referred to as the Transferor Companies), respectively into Transferee Company, with effect from the Appointed Date (as mentioned in the scheme) and the consequent dissolution of the Transferor Companies without being wound up and (ii) Amalgamation of Amalgamating Company with Amalgamated Company with effect from the Appointed Date (as mentioned in the scheme) and the consequent dissolution of the Amalgamating Company without being wound up; and issuance of the shares New Equity Shares to the equity shareholders of Amalgamating Company in accordance with Share Exchange Ratio, pursuant to section 230-232 and other relevant provisions of the Companies Act, 2013.

Rational of Scheme:

The rationale for the Composite Scheme of Amalgamation is set out below:

- (a) The Amalgamating Company, along with Transferor Companies, has been the second largest mattress manufacturer, with leadership position in southern and eastern parts of the country, apart from sizeable presence in other parts. Also, the Amalgamating Company is approximately 70-year-old company with a very strong brand

The Board of Directors of the Amalgamated Company in its meeting held on July 17, 2023, had approved the acquisition of the Amalgamating Company, along with Transferor Companies, with a view to further strengthen the leadership position in the mattress and foam segments across the country.

The intent of acquisition of the Amalgamating Company, along with Transferor Companies was always to run all the companies, as one-operation going forward i.e. subsequently amalgamate the companies into a single entity

The Scheme would *inter-alia* have the following benefits

- (a) Procurement synergies arising on account of higher volume discounts, and ability to negotiate best possible prices;
- (b) Deeper manufacturing footprint, as materials of both the business can be made in any plant location, resulting in enhanced efficiency as well as reduction in servicing time;



- (c) Rationalization of logistic costs considering the combined volume;
 - (d) Open-up the door for a new sales channel strategy, enhancing penetration/coverage and leading to better sales;
 - (e) Structured, sharper and better management focusing on holistic growth of the businesses;
 - (f) Optimum and efficient utilization of resources and sharing of ancillary facilities,
 - (g) Common governance structure and effective management of compliances,
 - (h) Enhancing shareholder value and leveraging on synergies in doing the business; and
 - (i) Cost saving by way of reduction of overheads, administrative, managerial and other expenditure and to bring about operational rationalization and efficiency
- (b) Given the above, and similarity in nature of businesses of the Transferor Companies, the Amalgamating Company and the Amalgamated Company, it is proposed to merge the Transferor Companies with Amalgamating Company (pursuant to Part C of this Scheme) and (post Part C comes into effect) merge the Amalgamating company with Amalgamated Company (pursuant to Part D of this Scheme). The merger shall result in greater business synergies and reduced administrative and other costs.

J. VALUATION APPROACH AND METHODOLOGY

To value the Companies, we considered three approaches to valuation, as provided under the IVS - Valuation Approaches and Methods: the market approach, the income approach, and the asset approach. We have reviewed and analyzed several methods and their results to determine which methods would generate the most reasonable opinion of value of their operations as on the Valuation Date. A description of the approaches used, and the approaches considered but not used are included within this report.

There is no single definition of the term 'Value' that is suitable for all purposes or at all times. The value of a particular asset may vary according to different valuation methodologies that are adopted to ascertain the value for a specific purpose. Valuation of securities is an inexact science. It may sometimes involve a set of judgments and assumptions that may be subject to certain uncertainties.



Both internal and external factors which influence the value of the Companies have been reviewed, analyzed, and interpreted. Internal factors included the financial position and results of operations. External factors included, among other things, the status of the economy and the position of the Companies relative to the industry.

The objective of the valuation process is to make the best reasonable judgement of the value of the shares of the Company.

A brief explanation of each valuation approach is provided below.

Income Approach:

The income approach provides an estimate of the present value of the monetary benefits expected to flow to the owners of the business. It requires the projection of the cash flows that the business is expected to generate. These cash flows are then converted to their present value by means of discounting, using a rate of return that accounts for the time value of money and the appropriate degree of risk in the investment. The value of the business is the sum of the discounted cash flows.

Market Approach

The market approach considers actual arm's-length transactions for which the market value of investments alternative to the subject company can be observed. The value of a company or an ownership interest in the company can be estimated by developing relevant multiples for the comparative companies that relate value to underlying revenue, earnings, or cash flow variable, and then applying these multiples to the comparable underlying revenue, earnings, or cash flow variable for the subject company. The value multiples can be derived from guideline public company and guideline transactions of the publicly traded company or private companies.

Cost (Asset-Based) Approach

The asset-based (net underlying assets) approach is a form of the cost approach. The values of the individual assets (i.e., current, fixed, and intangible) of the business are estimated. The sum of the individual asset values represents the total asset value of the enterprise. The enterprise's liabilities related to working capital are deducted to arrive at an indication of value for the invested capital of the business. Because the cost approach does not always reflect the full value of intangible assets, it is often not appropriate to value an operating business completely on the basis of this approach without giving weights to other valuation methods. The cost approach may be relevant to the value of an operating business that is not sufficiently profitable and whose "breakup" values may be greater than its going concern value.



K. RECOMMENDATION OF FAIR EQUITY SHARE EXCHANGE RATIO

As on the valuation date, as per Composite Scheme of Arrangement ("Scheme") of Amalgamation of Amalgamating Company with Amalgamated Company with effect from the Appointed Date (as mentioned in the scheme) and the consequent dissolution of the Amalgamating Company without being wound up; and issuance of the shares New Equity Shares to the equity shareholders of Amalgamating Company in accordance with Share Exchange Ratio, pursuant to section 230-232, and other relevant provisions of the Companies Act, 2013.

The fair basis for recommending the Share Exchange Ratio for the Proposed Amalgamation of KEL with SFL is dependent upon various factors and considerations mentioned here in this report. Though different values have been arrived at under different methods, for the purpose of recommending a ratio of exchange it is necessary to arrive at a single value for the shares of the companies. It is however important to note that in doing so, we are not attempting to arrive at the absolute values of the shares of each company. Our exercise is to work out relative value of shares of the Companies to facilitate the determination of the fair Share Exchange Ratio.

For this purpose, it is necessary to give appropriate weightage to the values arrived at under each approach.

We have independently applied approaches / methods discussed above, as considered appropriate and arrived at their assessment of the relative values per equity share of the Companies. To arrive at the fair share exchange ratios for the Proposed Amalgamation, suitable minor adjustments / rounding off have been made in the relative values arrived.

The fair equity share exchange ratio has been arrived based on a relative valuation of equity shares of the Companies based on the approaches explained herein and various qualitative factors relevant to the companies and the business dynamics and growth potential of the businesses, having regard to information base, management representation and perceptions, key underlying assumptions, and limitations.

In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgement considering all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share.



In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove in this report, we recommend the following fair equity share exchange ratio for the Proposed Amalgamation, whose computation as required is as under:

The calculation of fair Share Exchange Ratio of SFL and KEL is presented in Exhibit I.



Exhibit 1
SHEELA FOAM LIMITED
KURLON ENTERPRISE LIMITED
Computation of Fair Share Exchange Ratio

| Valuation Approaches | Sheela Foam Limited (1) | | Kurlon Enterprise Limited (2) | |
|-------------------------------|----------------------------|--------|----------------------------------|--------|
| | Value per Share | Weight | Value per Share | Weight |
| Asset Approach | NA | 0% | NA | 0% |
| Income Approach | NA | 0% | 591.80 | 100% |
| Market Approach | 1137.99 | 100% | NA | 0% |
| Relative fair Value Per Share | 1137.99 | 100% | 591.80 | 100% |
| Exchange Ratio Rounded | | | 0.52 | |

L. CONCLUSION

Based on our study and analytical review procedures, and subject to the limitations expressed within this report, the recommended fair Share Exchange Ratio for the Proposed Amalgamation of KEL with SFL, is:

"52 equity shares of SFL of INR 5 each fully paid up for every 100 equity shares of KEL of INR 5 each fully paid up."



 (Arunesh Kumar Duggal)
 Registered Valuer (Securities and Financial Assets)
 IBBI Registration No. IBBI/RV/03/2020/12786

NOTES TO EXHIBIT 1:**(1) Sheela Foam Limited:****Asset Approach:**

As of the Valuation Date, SFL is intended to be continued on a going concern basis and there is no intention to dispose-off the assets/business. Accordingly, the asset approach was not used for the valuation of SFL.

Income Approach:

As SFL is listed on BSE and NSE under the ticker "SFL" and is frequently traded therefore Income approach was not used for the valuation of SFL.

Market Approach:

As previously discussed, SFL is listed on BSE and NSE under the ticker "SFL". As of the Valuation Date, SFL is actively traded on stock exchanges.

According to Section 164(1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, ("ICDR") for issuers that have been listed on a recognized stock exchange for a period of 90 days or more as on the relevant date, the price of equity shares to be allotted pursuant to the preferential issue shall not be less than higher of the following:

- The 90 trading days' Volume Weighted Average Price ("VWAP") of related equity shares quoted on the recognized stock exchange preceding the relevant date.
- The 10 trading days' VWAP of related equity shares quoted on the recognized stock exchange preceding the relevant date.

Based on the guidance given in the ICDR regulations for determining the share price, we have calculated the per share value of SFL based on the formula of 90 days / 10 days VWAP.

As presented above, only the market approach is considered.



(2) Kurlon Enterprise Limited:**Asset Approach:**

As of the Valuation Date, KEL is intended to be continued on a going concern basis and there is no intention to dispose of the assets/business. Accordingly, an asset approach was not used for the valuation of KEL.

Income Approach:

Given the nature of the business of KEL and based on the multi-year projections provided by the Management, we have applied an income approach to compute the fair value of KEL.

Market Approach:

Company not listed on any stock exchange and also due to the non-existence of comparable listed companies at this stage therefore Market Approach has not been considered by us.



APPENDIX A

VALUATION OF EQUITY SHARE OF SHEELA FOAM LIMITED

For Sheela Foam Limited (Amalgamated Company) valuation has been done based on following methodologies

| SHEELA FOAM LIMITED | | | |
|---------------------|-----------------|--------|---------------------------|
| Valuation Approach | Value per Share | Weight | Weightage Value per share |
| Asset Approach | --- | 0% | 0.00 |
| Income Approach | --- | 0% | 0.00 |
| Market Approach | 1137.99 | 100% | 1137.99 |
| Total | | | 1137.99 |

APPENDIX B

VALUATION OF EQUITY SHARE OF KURLON ENTERPRISE LIMITED

For Kurlon Enterprise Limited (Amalgamating Company) valuation has been done based on following methodologies

| KURLON ENTERPRISE LIMITED | | | |
|---------------------------|-----------------|--------|---------------------------|
| Valuation Approach | Value per Share | Weight | Weightage Value per share |
| Asset Approach | --- | 0% | 0 |
| Income Approach | 591.80 | 100% | 591.80 |
| Market Approach | --- | 0% | 0 |
| Total | | | 591.80 |



APPENDIX C

COMPUTATION OF ISSUE PRICES AND HISTORICAL TRADED VOLUME OF
SHEELA FOAM LIMITED

| Valuation using the Market Price ("MP") method - Market Approach of Sheela Foam Limited | | | |
|--|------------------------------|----------------------|-------------------------|
| Relevant date | 28-Mar-24 | | |
| Relevant Exchange | NSE | | |
| <u>Particulars</u> | <u>Reference</u> | <u>Unit</u> | <u>Price INR</u> |
| Average of 90 trading days volume weighted average price ("VWAP") preceding the relevant date | A | INR per share | 1137.99 |
| Average of 10 trading days volume weighted average price ("VWAP") preceding the relevant date | B | INR per share | 944.99 |
| Market price as per ICDR | C = Higher of A and B | INR per share | 1137.99 |



Reference "A"

Average of 90 trading days volume weighted average price ("VWAP") preceding the relevant date

| Days | Date | Number of shares traded | Daily turnover (INR) | Days | Date | Number of shares traded | Daily turnover (INR) |
|--------------|-----------|-------------------------|----------------------|------|-----------|-------------------------|----------------------|
| 1 | 17-Nov-23 | 18814 | 20808333 | 46 | 23-Jan-24 | 36085 | 41222863 |
| 2 | 20-Nov-23 | 222260 | 253331675 | 47 | 24-Jan-24 | 27337 | 30937546 |
| 3 | 21-Nov-23 | 155870 | 182399482 | 48 | 25-Jan-24 | 16842 | 19118559 |
| 4 | 22-Nov-23 | 88381 | 101754742 | 49 | 29-Jan-24 | 66999 | 76458646 |
| 5 | 23-Nov-23 | 57685 | 67022866 | 50 | 30-Jan-24 | 41818 | 47397277 |
| 6 | 24-Nov-23 | 71872 | 84238190 | 51 | 31-Jan-24 | 98600 | 114354857 |
| 7 | 28-Nov-23 | 51053 | 59716800 | 52 | 01-Feb-24 | 70560 | 80871974 |
| 8 | 29-Nov-23 | 42065 | 48723656 | 53 | 02-Feb-24 | 27181 | 30848847 |
| 9 | 30-Nov-23 | 125714 | 144128069 | 54 | 05-Feb-24 | 47265 | 53872219 |
| 10 | 01-Dec-23 | 62869 | 72869279 | 55 | 06-Feb-24 | 53562 | 61843563 |
| 11 | 04-Dec-23 | 50751 | 59197261 | 56 | 07-Feb-24 | 107932 | 121928467 |
| 12 | 05-Dec-23 | 193467 | 228649673 | 57 | 08-Feb-24 | 52847 | 59600524 |
| 13 | 06-Dec-23 | 53414 | 62096029 | 58 | 09-Feb-24 | 43754 | 48275191 |
| 14 | 07-Dec-23 | 36010 | 41841758 | 59 | 12-Feb-24 | 38567 | 41809549 |
| 15 | 08-Dec-23 | 37637 | 43571176 | 60 | 13-Feb-24 | 57437 | 62339896 |
| 16 | 11-Dec-23 | 65550 | 76100139 | 61 | 14-Feb-24 | 90372 | 98984478 |
| 17 | 12-Dec-23 | 44295 | 51780488 | 62 | 15-Feb-24 | 23109 | 25143920 |
| 18 | 13-Dec-23 | 275344 | 332548116 | 63 | 16-Feb-24 | 34966 | 38341416 |
| 19 | 14-Dec-23 | 322375 | 400242398 | 64 | 19-Feb-24 | 38408 | 41632332 |
| 20 | 15-Dec-23 | 448553 | 573577249 | 65 | 20-Feb-24 | 30722 | 33199762 |
| 21 | 18-Dec-23 | 203587 | 257459146 | 66 | 21-Feb-24 | 24172 | 25953193 |
| 22 | 19-Dec-23 | 85421 | 107699919 | 67 | 22-Feb-24 | 18475 | 19756636 |
| 23 | 20-Dec-23 | 184243 | 230040078 | 68 | 23-Feb-24 | 42931 | 45487925 |
| 24 | 21-Dec-23 | 57524 | 69989914 | 69 | 26-Feb-24 | 21601 | 22655392 |
| 25 | 22-Dec-23 | 90354 | 109381017 | 70 | 27-Feb-24 | 20239 | 21138552 |
| 26 | 26-Dec-23 | 22777 | 27749053 | 71 | 28-Feb-24 | 99710 | 103465013 |
| 27 | 27-Dec-23 | 36505 | 44316120 | 72 | 29-Feb-24 | 41807 | 43153979 |
| 28 | 28-Dec-23 | 88680 | 109911206 | 73 | 01-Mar-24 | 20890 | 22030256 |
| 29 | 29-Dec-23 | 48520 | 60232666 | 74 | 02-Mar-24 | 1920 | 2023154 |
| 30 | 01-Jan-24 | 51567 | 64282566 | 75 | 04-Mar-24 | 17652 | 18426623 |
| 31 | 02-Jan-24 | 50750 | 62963650 | 76 | 05-Mar-24 | 25029 | 25745363 |
| 32 | 03-Jan-24 | 29447 | 36168986 | 77 | 06-Mar-24 | 41589 | 42117521 |
| 33 | 04-Jan-24 | 41320 | 50774277 | 78 | 07-Mar-24 | 38052 | 38737838 |
| 34 | 05-Jan-24 | 39263 | 48282797 | 79 | 11-Mar-24 | 38832 | 39091660 |
| 35 | 08-Jan-24 | 88123 | 105878778 | 80 | 12-Mar-24 | 37080 | 36900610 |
| 36 | 09-Jan-24 | 185573 | 228722038 | 81 | 13-Mar-24 | 60547 | 58580704 |
| 37 | 10-Jan-24 | 34095 | 40909281 | 82 | 14-Mar-24 | 127887 | 124100595 |
| 38 | 11-Jan-24 | 78301 | 96725524 | 83 | 15-Mar-24 | 63408 | 60816884 |
| 39 | 12-Jan-24 | 58032 | 71238243 | 84 | 18-Mar-24 | 40030 | 38444555 |
| 40 | 15-Jan-24 | 88564 | 107707287 | 85 | 19-Mar-24 | 42684 | 40492490 |
| 41 | 16-Jan-24 | 58899 | 71007361 | 86 | 20-Mar-24 | 71027 | 66451248 |
| 42 | 17-Jan-24 | 78320 | 92125211 | 87 | 21-Mar-24 | 106970 | 100735235 |
| 43 | 18-Jan-24 | 76447 | 89370963 | 88 | 22-Mar-24 | 192425 | 183074715 |
| 44 | 19-Jan-24 | 58436 | 67689124 | 89 | 26-Mar-24 | 102673 | 95856202 |
| 45 | 20-Jan-24 | 59525 | 68858038 | 90 | 27-Mar-24 | 457863 | 427351533 |
| Total | | | | | | 7078108 | 8054850386 |



VWAP of 90 trading days volume weighted average price ("VWAP") preceding the relevant date **1137.99**

Reference "B"
Average of 10 trading days volume weighted average price ("VWAP") preceding the relevant date

| Days | Date | Number of shares traded during the day | Daily turnover (INR) |
|---|-----------|--|-----------------------|
| 1 | 13-Mar-24 | 60,547 | 5,85,80,704.15 |
| 2 | 14-Mar-24 | 1,27,887 | 12,41,00,594.85 |
| 3 | 15-Mar-24 | 63,408 | 6,08,16,884.30 |
| 4 | 18-Mar-24 | 40,030 | 3,84,44,554.60 |
| 5 | 19-Mar-24 | 42,684 | 4,04,92,490.25 |
| 6 | 20-Mar-24 | 71,027 | 6,64,51,248.45 |
| 7 | 21-Mar-24 | 1,06,970 | 10,07,35,235.20 |
| 8 | 22-Mar-24 | 1,92,425 | 18,30,74,714.90 |
| 9 | 26-Mar-24 | 1,02,673 | 9,58,56,201.60 |
| 10 | 27-Mar-24 | 4,57,863 | 42,73,51,533.4 |
| Total | | 12,65,514 | 1,19,59,04,162 |
| VWAP of 10 trading days volume weighted average price ("VWAP") preceding the relevant date | | | 944.99 |

Historical Traded Quantity during the 240 trading days preceding the relevant date

| Days | Date | Number of shares traded | Days | Date | Number of shares traded | Days | Date | Number of shares traded |
|------|-----------|-------------------------|------|-----------|-------------------------|------|-----------|-------------------------|
| 1 | 13-Apr-23 | 20200 | 46 | 19-Jun-23 | 37215 | 91 | 23-Aug-23 | 32,568 |
| 2 | 17-Apr-23 | 22825 | 47 | 20-Jun-23 | 60958 | 92 | 24-Aug-23 | 38,764 |
| 3 | 18-Apr-23 | 12840 | 48 | 21-Jun-23 | 36679 | 93 | 25-Aug-23 | 37,012 |
| 4 | 19-Apr-23 | 15089 | 49 | 22-Jun-23 | 22143 | 94 | 28-Aug-23 | 40,798 |
| 5 | 20-Apr-23 | 7016 | 50 | 23-Jun-23 | 174350 | 95 | 29-Aug-23 | 45,951 |
| 6 | 21-Apr-23 | 9351 | 51 | 26-Jun-23 | 38,164 | 96 | 30-Aug-23 | 41,069 |
| 7 | 24-Apr-23 | 11604 | 52 | 27-Jun-23 | 19,141 | 97 | 31-Aug-23 | 42,152 |
| 8 | 25-Apr-23 | 4448 | 53 | 28-Jun-23 | 10,29,276 | 98 | 01-Sep-23 | 89,511 |
| 9 | 26-Apr-23 | 12285 | 54 | 30-Jun-23 | 2,29,208 | 99 | 04-Sep-23 | 44,925 |
| 10 | 27-Apr-23 | 4095 | 55 | 03-Jul-23 | 64,771 | 100 | 05-Sep-23 | 37,438 |
| 11 | 28-Apr-23 | 15574 | 56 | 04-Jul-23 | 41,830 | 101 | 06-Sep-23 | 28,470 |
| 12 | 02-May-23 | 35779 | 57 | 05-Jul-23 | 39,051 | 102 | 07-Sep-23 | 45,708 |
| 13 | 03-May-23 | 64370 | 58 | 06-Jul-23 | 57,071 | 103 | 08-Sep-23 | 65,678 |
| 14 | 04-May-23 | 6449 | 59 | 07-Jul-23 | 30,229 | 104 | 11-Sep-23 | 79,837 |
| 15 | 05-May-23 | 13912 | 60 | 10-Jul-23 | 59,783 | 105 | 12-Sep-23 | 88,934 |



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| | | | | | | | | |
|----|-----------|--------|----|-----------|-----------|-----|-----------|--------|
| 16 | 08-May-23 | 9537 | 61 | 11-Jul-23 | 1,33,025 | 106 | 13-Sep-23 | 37577 |
| 17 | 09-May-23 | 7199 | 62 | 12-Jul-23 | 52,984 | 107 | 14-Sep-23 | 32810 |
| 18 | 10-May-23 | 10776 | 63 | 13-Jul-23 | 1,24,361 | 108 | 15-Sep-23 | 35862 |
| 19 | 11-May-23 | 5923 | 64 | 14-Jul-23 | 53,701 | 109 | 18-Sep-23 | 143507 |
| 20 | 12-May-23 | 9299 | 65 | 17-Jul-23 | 6,62,618 | 110 | 20-Sep-23 | 308250 |
| 21 | 15-May-23 | 4783 | 66 | 18-Jul-23 | 27,88,004 | 111 | 21-Sep-23 | 352695 |
| 22 | 16-May-23 | 8388 | 67 | 19-Jul-23 | 3,36,473 | 112 | 22-Sep-23 | 77989 |
| 23 | 17-May-23 | 8638 | 68 | 20-Jul-23 | 1,39,328 | 113 | 25-Sep-23 | 88941 |
| 24 | 18-May-23 | 31485 | 69 | 21-Jul-23 | 2,70,128 | 114 | 26-Sep-23 | 151095 |
| 25 | 19-May-23 | 11703 | 70 | 24-Jul-23 | 69,469 | 115 | 27-Sep-23 | 51936 |
| 26 | 22-May-23 | 8212 | 71 | 25-Jul-23 | 81,174 | 116 | 28-Sep-23 | 201248 |
| 27 | 23-May-23 | 6324 | 72 | 26-Jul-23 | 1,30,953 | 117 | 29-Sep-23 | 709121 |
| 28 | 24-May-23 | 16380 | 73 | 27-Jul-23 | 68,368 | 118 | 03-Oct-23 | 834644 |
| 29 | 25-May-23 | 37978 | 74 | 28-Jul-23 | 60,250 | 119 | 03-Oct-23 | 78051 |
| 30 | 26-May-23 | 28821 | 75 | 31-Jul-23 | 1,20,544 | 120 | 04-Oct-23 | 108652 |
| 31 | 29-May-23 | 23010 | 76 | 01-Aug-23 | 71,097 | 121 | 05-Oct-23 | 255719 |
| 32 | 30-May-23 | 10383 | 77 | 02-Aug-23 | 1,04,933 | 122 | 06-Oct-23 | 37059 |
| 33 | 31-May-23 | 25953 | 78 | 03-Aug-23 | 1,85,068 | 123 | 09-Oct-23 | 85680 |
| 34 | 01-Jun-23 | 13356 | 79 | 04-Aug-23 | 1,71,607 | 124 | 10-Oct-23 | 60855 |
| 35 | 02-Jun-23 | 16186 | 80 | 07-Aug-23 | 73,083 | 125 | 11-Oct-23 | 36567 |
| 36 | 05-Jun-23 | 14146 | 81 | 08-Aug-23 | 42,186 | 126 | 12-Oct-23 | 29956 |
| 37 | 06-Jun-23 | 22127 | 82 | 09-Aug-23 | 30,314 | 127 | 13-Oct-23 | 121636 |
| 38 | 07-Jun-23 | 22764 | 83 | 10-Aug-23 | 38,364 | 128 | 16-Oct-23 | 66240 |
| 39 | 08-Jun-23 | 12058 | 84 | 11-Aug-23 | 41,779 | 129 | 17-Oct-23 | 101114 |
| 40 | 09-Jun-23 | 9352 | 85 | 14-Aug-23 | 25,216 | 130 | 18-Oct-23 | 73057 |
| 41 | 12-Jun-23 | 935051 | 86 | 16-Aug-23 | 35,905 | 131 | 19-Oct-23 | 38847 |
| 42 | 13-Jun-23 | 902566 | 87 | 17-Aug-23 | 39,819 | 132 | 20-Oct-23 | 200196 |
| 43 | 14-Jun-23 | 199491 | 88 | 18-Aug-23 | 49,756 | 133 | 23-Oct-23 | 63242 |
| 44 | 15-Jun-23 | 73892 | 89 | 21-Aug-23 | 69,820 | 134 | 25-Oct-23 | 94608 |
| 45 | 16-Jun-23 | 79121 | 90 | 22-Aug-23 | 36,259 | 135 | 26-Oct-23 | 54312 |

| Days | Date | Number of shares traded | Days | Date | Number of shares traded | Days | Date | Number of shares traded |
|------|-----------|-------------------------|------|-----------|-------------------------|------|-----------|-------------------------|
| 136 | 27-Oct-23 | 39944 | 171 | 18-Dec-23 | 203587 | 206 | 07-Feb-24 | 107932 |
| 137 | 30-Oct-23 | 55531 | 172 | 19-Dec-23 | 85421 | 207 | 08-Feb-24 | 52847 |
| 138 | 31-Oct-23 | 50096 | 173 | 20-Dec-23 | 184243 | 208 | 09-Feb-24 | 43754 |
| 139 | 01-Nov-23 | 42015 | 174 | 21-Dec-23 | 57524 | 209 | 12-Feb-24 | 38567 |
| 140 | 02-Nov-23 | 39392 | 175 | 22-Dec-23 | 90354 | 210 | 13-Feb-24 | 57437 |
| 141 | 03-Nov-23 | 134218 | 176 | 26-Dec-23 | 22777 | 211 | 14-Feb-24 | 90372 |
| 142 | 06-Nov-23 | 32120 | 177 | 27-Dec-23 | 36505 | 212 | 15-Feb-24 | 23109 |
| 143 | 07-Nov-23 | 21520 | 178 | 28-Dec-23 | 88680 | 213 | 16-Feb-24 | 34966 |
| 144 | 08-Nov-23 | 30544 | 179 | 29-Dec-23 | 48520 | 214 | 19-Feb-24 | 38408 |
| 145 | 09-Nov-23 | 33117 | 180 | 01-Jan-24 | 51567 | 215 | 20-Feb-24 | 30722 |
| 146 | 10-Nov-23 | 80655 | 181 | 02-Jan-24 | 50750 | 216 | 21-Feb-24 | 24172 |
| 147 | 12-Nov-23 | 16708 | 182 | 03-Jan-24 | 29447 | 217 | 22-Feb-24 | 18475 |
| 148 | 13-Nov-23 | 27736 | 183 | 04-Jan-24 | 41320 | 218 | 23-Feb-24 | 42931 |
| 149 | 15-Nov-23 | 19141 | 184 | 05-Jan-24 | 39263 | 219 | 26-Feb-24 | 21601 |
| 150 | 16-Nov-23 | 54646 | 185 | 08-Jan-24 | 88123 | 220 | 27-Feb-24 | 20239 |
| 151 | 17-Nov-23 | 18814 | 186 | 09-Jan-24 | 185573 | 221 | 28-Feb-24 | 99710 |
| 152 | 20-Nov-23 | 222260 | 187 | 10-Jan-24 | 34095 | 222 | 29-Feb-24 | 41807 |
| 153 | 21-Nov-23 | 155870 | 188 | 11-Jan-24 | 78301 | 223 | 01-Mar-24 | 20890 |
| 154 | 22-Nov-23 | 88381 | 189 | 12-Jan-24 | 58032 | 224 | 02-Mar-24 | 1920 |



| | | | | | | | | |
|--|-----------|--------|-----|-----------|-------|-----|-----------|-----------|
| 155 | 23-Nov-23 | 57685 | 190 | 15-Jan-24 | 88564 | 225 | 04-Mar-24 | 17652 |
| 156 | 24-Nov-23 | 71872 | 191 | 16-Jan-24 | 58899 | 226 | 05-Mar-24 | 25029 |
| 157 | 28-Nov-23 | 51053 | 192 | 17-Jan-24 | 78320 | 227 | 06-Mar-24 | 41589 |
| 158 | 29-Nov-23 | 42065 | 193 | 18-Jan-24 | 76447 | 228 | 07-Mar-24 | 38052 |
| 159 | 30-Nov-23 | 125714 | 194 | 19-Jan-24 | 58436 | 229 | 11-Mar-24 | 38832 |
| 160 | 01-Dec-23 | 62869 | 195 | 20-Jan-24 | 59525 | 230 | 12-Mar-24 | 37080 |
| 161 | 04-Dec-23 | 50751 | 196 | 23-Jan-24 | 36085 | 231 | 13-Mar-24 | 60547 |
| 162 | 05-Dec-23 | 193467 | 197 | 24-Jan-24 | 27337 | 232 | 14-Mar-24 | 127887 |
| 163 | 06-Dec-23 | 53414 | 198 | 25-Jan-24 | 16842 | 233 | 15-Mar-24 | 63408 |
| 164 | 07-Dec-23 | 36010 | 199 | 29-Jan-24 | 66999 | 234 | 18-Mar-24 | 40030 |
| 165 | 08-Dec-23 | 37637 | 200 | 30-Jan-24 | 41818 | 235 | 19-Mar-24 | 42684 |
| 166 | 11-Dec-23 | 65550 | 201 | 31-Jan-24 | 98600 | 236 | 20-Mar-24 | 71027 |
| 167 | 12-Dec-23 | 44295 | 202 | 01-Feb-24 | 70560 | 237 | 21-Mar-24 | 106970 |
| 168 | 13-Dec-23 | 275344 | 203 | 02-Feb-24 | 27181 | 238 | 22-Mar-24 | 192425 |
| 169 | 14-Dec-23 | 322375 | 204 | 05-Feb-24 | 47265 | 239 | 26-Mar-24 | 102673 |
| 170 | 15-Dec-23 | 448553 | 205 | 06-Feb-24 | 53562 | 240 | 27-Mar-24 | 457863 |
| Total Traded Quantity during the 240 trading days preceding the relevant date | | | | | | | | 23912966 |
| Total number of shares outstanding Weighted Average | | | | | | | | 103409772 |
| % of shares traded during the 240 trading days preceding the relevant date | | | | | | | | 23.12% |





| | |
|--|--|
| To The General Manager Department of Corporate Services BSE Limited P.J. Towers, Dalal Street Mumbai - 400001 | To, Manager - Listing Compliance National Stock Exchange of India Limited 'Exchange Plaza'. C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 |
|--|--|

Dear Sir,

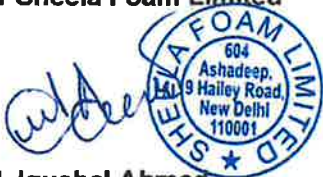
Sub: Confirmation by the Company Secretary

I, Md. Iqubal Ahmad, being the Company Secretary of Sheela Foam Limited hereby confirms that:

- No material event impacting the valuation has occurred during the intervening period of filing the Scheme documents with Stock Exchange and period under consideration for valuation.
- There have been no past defaults of listed debt obligations of the entities forming part of the Scheme.

Yours faithfully

For Sheela Foam Limited



Md. Iqubal Ahmad
Company Secretary

Date: April 04, 2024
Place: New Delhi

SHEELA FOAM LTD.

#14, Sleepwell Tower, Sector 135, Noida- 201301

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Toll Free: 1800 103 6664 • www.sleepwellproducts.com • www.sheelafoam.com
CIN-L74899DL1971PLC005679



REPORT OF THE AUDIT COMMITTEE OF SHEELA FOAM LIMITED RECOMMENDING THE COMPOSITE SCHEME OF ARRANGEMENT BETWEEN BELVEDORE INTERNATIONAL LIMITED, KANVAS CONCEPTS PRIVATE LIMITED, KURLON RETAIL LIMITED, KOMFORT UNIVERSE PRODUCTS & SERVICES LIMITED, STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED, KURLON ENTERPRISE LIMITED, AND SHEELA FOAM LIMITED AT ITS MEETING HELD ON THURSDAY, MARCH 28, 2024 THROUGH VIDEO CONFERENCE (VC)/OTHER AUDIO-VISUAL MEANS (OAVM)

MEMBERS PRESENT

- | | |
|--------------------------|-----------------------------------|
| 1. Mr. Som Mittal | - Independent Director & Chairman |
| 2. Mr. Ravindra Dhariwal | - Independent Director & Member |
| 3. Mr. Tushaar Gautam | - Managing Director & Member |

The quorum was present at the Meeting and remained till the conclusion of the Meeting.

1. Background

- 1.1 A meeting of the Audit Committee of Sheela Foam Limited was held on March 28, 2024, to consider and recommend to the Board of Directors of SFL ("Board"), the draft Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5") (collectively hereinafter referred to as the **Transferor Companies**), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company") and their respective shareholders and creditors (the "Scheme") under sections 230 to 232 of the Companies Act, 2013 ("Act") and other applicable provisions of law.
- 1.2 The Company was incorporated under the provisions of the Companies Act, 2013, engaged in the business of manufacture flexible, semi-flexible and rigid Poly-Urethane Foam slabs and allied products and processing and fabrication thereof and mattresses and cushions upholstery material, manufacture of furniture; packing material and insulation material, moulding of rigid Poly-Urethane for various shapes and size and manufacture of jackets and such other items by way of lamination of Poly-Urethane Foam with fabric and manufacture of products that may be allied or may be usefully combined with manufacture of any of the material mentioned above. The equity shares of the Company are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").
- 1.3 KEL or Transferee Company or Amalgamating Company is a company incorporated under the provisions of the Companies Act, 2013. The Amalgamating Company is a subsidiary of the Company and is engaged in the business of manufacturing/ trading in diverse areas such as

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rubberized coir, latex foam, polyurethane foam, bonded foam, pillows, spring mattresses, furniture, furnishings, sofas etc.

- 1.4 BIL or Transferor Company 1 is a company incorporated under the provisions of the Companies Act, 2013. It is a wholly owned subsidiary of the Amalgamating Company and is engaged in the business of buying, selling, reselling, importing, exporting, transporting, storing, promoting, marketing, manufacturing or supplying, trading, dealing in any manner whatsoever in all type of goods including Mattresses, Pillows, Furniture and other related Products and Services of international brands on retail and B2B basis in India.
- 1.5 KCPL or Transferor Company 2 is a company incorporated under the provisions of the Companies Act, 2013. It is a wholly owned subsidiary of the Amalgamating Company and is engaged in the business of interiors and exteriors of Homes, stage designer, furnishing, designing, decorating, renovating and remodelling of bungalows, houses, shops, show rooms, complexes, apartments, offices, hotels, restaurants and other commercials and residential houses and for the purpose to act as organizer, consultant, advisor, trader, buyer, seller, supervisor, surveyor, broker, agent and to do all other incidental acts and things necessary for the attainment of the above objects.
- 1.6 KRL or Transferor Company 3 is a company incorporated under the provisions of the Companies Act, 2013. It is a wholly owned subsidiary of the Amalgamating Company and is engaged in the business of buying, selling, storing, promoting, marketing, supplying, trading and dealing in mattresses, pillow, sofa and furniture on retail in India.
- 1.7 KUPSL or Transferor Company 4 is a company incorporated under the provisions of the Companies Act, 2013. It is a wholly owned subsidiary of the Amalgamating Company and is engaged in the business of buying, selling, reselling, importing, exporting, transporting, storing, promoting, marketing, supplying, dealing and trading of Semi-finished Goods (SFG), foam products, RC Pads, EPE Products and other related Products and Services on B2B basis in India and outside India.
- 1.8 SVC MPL or Transferor Company 5 is a company incorporated under the provisions of the Companies Act, 2013. It is a wholly owned subsidiary of the Amalgamating Company and is engaged in the business as manufacturer, designers, buyers, sellers, importers, exporters, workers, transporters, suppliers of all types of home comfort products, home décor items including furniture, mattresses, pillows, cushions, perfumers on retail and manufacture of all types of furniture equipment appliances for domestic, office, industrial as well as on wholesale basis in India as well as outside India.
- 1.9 This report of the Audit Committee is made to comply with the requirements of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Clause 2 (c) of Para A of Part I of the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23 November 2021 ("SEBI Master Circular") and as amended from time to time.

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1.10 The Audit Committee has discussed and has made this report after pursuing the following documents in detail:

- a) Draft Scheme;
- b) Share swap ratio report dated March 28, 2024 issued by Mr. Arunesh Kumar Dubey, Registered Valuer (Registration No. IBBI/RV/03/2020/12786) ("**Share Swap Ratio Report**"), describing the methodology adopted by them in arriving at the recommended share swap ratio;
- c) Fairness Opinion dated March 28, 2024 issued by M/s Navigant Corporate Advisors Limited, an Independent SEBI Registered Category-I Merchant Banker (SEBI Registration INM000012243), ("**Fairness Opinion**"), providing its opinion on the fairness of share swap ratio as recommended in the Share Swap Ratio Report;
- d) Certificate dated March 28, 2024 issued by M/s M S K A & Associates Chartered Accountants (FRN: 105047W), Statutory Auditors of the Company, confirming that the accounting treatment stated in the draft Scheme is in compliance with the accounting standards prescribed under section 133 of the Act and generally accepted accounting principles; and

2. Salient Features of the Scheme

2.1 The Audit Committee noted the brief particulars of the draft Scheme as under:

- a) The Scheme (as defined herein) is presented inter alia under Sections 230 to 232 and other applicable provisions of the Act, SEBI Master circular read with Section 2(1B) and other applicable provisions of the Income-tax Act, 1961 and other applicable law, if any.
- b) The Scheme provides for the amalgamation of:
 - (i) the Transferor Companies with the Transferee Company with effect from the Appointed Date and the consequent dissolution of the Transferor Companies without being wound up; and
 - (ii) the Amalgamating Company with the Amalgamated Company with effect from the Appointed Date and the consequent dissolution of the Amalgamating Company without being wound up; and issuance of the shares New Equity Shares to the equity shareholders of Amalgamating Company in accordance with Share Exchange Ratio, pursuant to section 230-232, and other relevant provisions of the Companies Act, in the matter provided for in this Scheme and in compliance with the provisions of the Income Tax Act (as defined hereinafter)
- c) The appointed date for the proposed Scheme shall be October 20, 2023 ("**Appointed Date**").
- d) Upon the Scheme becoming effective, in consideration of the proposed transaction of:

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- (i) The Transferor Companies with the Transferee Company: Upon the coming into effect of this Scheme and with effect from the Appointed Date, and in consideration of the transfer of and vesting of the Undertakings of the Transferor Companies in the Transferee Company, in terms of the Scheme, all the equity shares issued by the respective Transferor Companies and held by the Transferee Company and its nominees shall stand cancelled and extinguished and in lieu thereof, there shall be no allotment of equity shares in the Transferee Company or payment of any consideration
- (ii) The Amalgamating Company with the Amalgamated Company: Upon the coming into effect of this Scheme and with effect from the Appointed Date, and in consideration of the transfer of and vesting of the Undertaking of the Amalgamating Company in the Amalgamated Company, the Amalgamated Company shall, without any further application, act or deed, issue and allot to the shareholders of the Amalgamating Company whose names are recorded in the Register of Members as a member of the Amalgamating Company on the record date (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of the Amalgamated Company), such number of new equity shares as determined by the valuer in the valuation report and approved by the Board.
- e) With effect from Appointed Date and upon Part C of the proposed Scheme becoming effective, the Transferor Companies along with all assets, liabilities, contracts, employees, licenses, records, approvals etc. being integral parts of the Transferor Companies shall stand transferred to and vest in or shall be deemed to have been transferred to and vested in the Transferee Company, as a going concern, without any further act, instrument or deed, together with all properties, assets, liabilities, rights, benefits and interest therein, subject to the provisions of the Scheme in accordance with Sections 230-232 of the Companies Act, 2013, the Income-tax Act, 1961 and applicable provisions, if any.
- f) The Transferee Company shall, upon the Scheme becoming effective and with effect from Appointed Date, record the assets and liabilities of the Transferor Companies (as appearing in the books of accounts of the Transferor Companies at the close of business on the day preceding the effective date of the Scheme) as vested in it pursuant to the Scheme, at the respective book values thereof.
- g) With effect from Appointed Date and upon the Part D of the proposed Scheme becoming effective, the Amalgamating Company along with all their assets, liabilities, contracts, employees, licenses, records, approvals etc. being integral parts of the Amalgamating Company shall stand transferred to and vest in or shall be deemed to have been transferred to and vested in the Amalgamated Company, as a going concern, without any further act, instrument or deed, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to the provisions of the Scheme, in accordance with Sections 230-232 of the Companies Act, 2013, the Income- tax Act, 1961 and applicable provisions, if any.

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- h) The Amalgamated Company shall, upon the Scheme becoming effective and with effect from Appointed Date, record the assets, liabilities and reserves, if any, of the Amalgamating Company vested in it pursuant to this Scheme, at the respective book values and in the same form as appearing in the Consolidated financials of Amalgamated Company.
- i) During the period between the approval of the Scheme by the respective Boards of the Transferor Companies, Amalgamating Company and the Amalgamated Company and up to the Effective Date (as defined in the Scheme), the businesses of the Transferor Companies, Amalgamating Company and the Amalgamated Company shall be carried out with reasonable diligence and business prudence in the ordinary course consistent with past practice.
- j) The effectiveness of the scheme is contingent upon certain conditions as mentioned in the Scheme.

3. Proposed Scheme

3.1. Need for the amalgamation and rationale of the scheme:

The Amalgamating Company, along with Transferor Companies, has been the second largest mattress manufacturer, with leadership position in southern and eastern parts of the country, apart from sizeable presence in other parts. Also, the Amalgamating Company is approximately 65-year-old company with a very strong brand.

The Board of Directors of the Amalgamated Company in its meeting held on July 17, 2023, had approved the acquisition of the Amalgamating Company, along with Transferor Companies, with a view to further strengthen the leadership position in the mattress and foam segments across the country.

The intent of acquisition of the Amalgamating Company, along with Transferor Companies was always to run all the companies, as one-operation going forward i.e. subsequently amalgamate the companies into a single entity.

The Scheme would *inter-alia* have the following benefits:

- (a) Procurement synergies arising on account of higher volume discounts, and ability to negotiate best possible prices;
- (b) Deeper manufacturing footprint, as materials of both the business can be made in any plant location, resulting in enhanced efficiency as well as reduction in servicing time;
- (c) Rationalization of logistic costs considering the combined volume;
- (d) Open-up the door for a new sales channel strategy, enhancing penetration/coverage and leading to better sales;
- (e) Structured, sharper and better management focusing on holistic growth of the businesses;
- (f) Optimum and efficient utilization of resources and sharing of ancillary facilities;
- (g) Common governance structure and effective management of compliances;
- (h) Enhancing shareholder value and leveraging on synergies in doing the business; and

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Cost saving by way of reduction of overheads, administrative, managerial and other expenditure and to bring about operational rationalization and efficiency.

Given the similarity in nature of businesses of the Transferor Companies, the Amalgamating Company and the Amalgamated Company, it is proposed to merge the Transferor Companies with Amalgamating Company (pursuant to Part C of this Scheme) and (post Part C comes into effect) merger the Amalgamating company with Amalgamated Company (pursuant to Part D of this Scheme). The merger shall result in greater business synergies and reduced administrative and other costs.

3.2 Synergies of the business of the entities involved in the Scheme:

The Committee reviewed the Scheme and noted that the Scheme would result in further consolidate of the SFL position in the foam and mattresses business where it has already established a leadership position. The Scheme also ensures simplified and streamlined group structure. It helps in achieving reduction in overall operational and compliance costs.

3.3 Impact of the Scheme on the shareholders

- (a) The Scheme is expected create value for stakeholders including respective shareholders, customers, lenders and employees as the combined business would benefit from increased scale, product diversification and expanded reach with increased ability to growth opportunities, higher cross selling opportunities to a larger base of customers, improvement in productivity and operational efficiencies amongst others;
- (b) The Scheme is expected to be beneficial to the shareholders of the Amalgamated Company leading to opportunity for growth and value creation in the long run and maximizing the value and returns to the shareholders, achieving cost and operational efficiencies;
- (c) It is expected to provide greater efficiency in cash management and unfettered access to cash flow generated by the combined business, which can be deployed more efficiently, to maximise shareholder value;
- (d) In consideration for the amalgamation of the Amalgamating Company with the Amalgamated Company, the shareholders of the Amalgamating Company, as on the Specified Date (as defined in the Scheme) shall receive new equity shares of the Amalgamated Company. Further, the rights and interests of the shareholders of the Amalgamated Company will not be prejudicially affected by the Scheme, and there will be no change in the economic interest of the shareholders of the Amalgamated Company, before and after the Scheme. The equity shares to be issued by the Amalgamated Company to the shareholders of the Amalgamating Company pursuant to the Scheme shall rank pari passu in all respects with the existing equity shares of the Amalgamated Company;
- (e) The shareholders of the Amalgamated Company will continue to be the shareholders of the Company;

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- (f) Upon the Scheme becoming effective, the Amalgamating Company shall be dissolved without being wound up and the shareholders of the Amalgamating Company shall become shareholders of the Amalgamated Company;
- (g) After the effectiveness of the Scheme and subject to the receipt of regulatory approvals, the equity shares of the Amalgamated Company issued as consideration pursuant to the Scheme, shall be listed on BSE Limited and the National Stock Exchange of India Limited.

3.4 Cost benefit analysis of the Scheme

The Scheme is expected to provide an opportunity to improve the economic value for the companies involved in the Scheme and their shareholders, in view of the consolidation of the businesses. This is primarily on account of various cost and operational synergies which are expected to accrue to the Amalgamated Company on account of the Scheme and more particularly detailed out in the aforesaid paragraphs. While the Scheme would lead to incurring of some costs towards its implementation; however, the benefits of the Scheme over a longer period would far outweigh such costs for the stakeholders of the Amalgamated Company.

4 Valuation Report and Fairness Opinion

The Audit Committee reviewed the:

- the Valuation Report along with the summary thereof and noted the method of valuation; and
- the Fairness Opinion.

5 Recommendation of the Audit Committee

The Audit Committee has taken on record the Share Swap Ratio Report and the Fairness Opinion and the recommendations made therein.

Taking into consideration the draft Scheme, Share Swap Ratio Report, Fairness Opinion and Certificate(s) issued by Statutory Auditors of the Amalgamated Company, need for the amalgamation and rationale of the Scheme, synergies of the business of the companies, impact of the Scheme on the shareholders, cost benefit analysis of the Scheme and other documents placed before the Audit Committee, the Audit Committee recommends the draft Scheme for the favourable consideration and approval by the Board of Directors of the Amalgamated Company.

By Order of the Members of the Audit Committee

For and on Behalf of **Sheela Foam Limited**


(Som Mittal)

Chairman

DIN: 00074842

Date: March 28, 2024

Place: Noida

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CIN-L74899DL1971PLC005679

**FAIRNESS OPINION REPORT ON VALUATION FOR THE PROPOSED SCHEME
OF ARRANGEMENT**

OF

**BELVEDORE INTERNATIONAL LIMITED, KANVAS CONCEPTS PRIVATE
LIMITED, KURLON RETAIL LIMITED, KOMFORT UNIVERSE PRODUCTS AND
SERVICES LIMITED, STARSHIP VALUE CHAIN AND MANUFACTURING AND
KURLON ENTERPRISE LIMITED**

WITH

SHEELA FOAM LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

By



Navigant

Navigant Corporate Advisors Limited

804, Meadows, Sahar Plaza Complex,

J.B. Nagar, Andheri Kurla Road,

Andheri East, Mumbai-400 059

Email Id- navigant@navigantcorp.com

Web: www.navigantcorp.com

28th March, 2024

SEBI Registered Category I Merchant Banker

SEBI Registration No. INM000012243

Page 1 of 10



Notice to Reader

Navigant Corporate Advisors Limited ("Navigant" / "NCAL" or "Authors of the Report") is a SEBI registered 'Category I' Merchant Banker in India and was engaged by Board of Directors of **SHEELA FOAM LIMITED** ("**SFL**" or "**Amalgamated Company**") to prepare an Independent Fairness Opinion Report ("**Report**") with respect to providing an independent opinion and assessment as to Fairness of Valuation Report and Swap Ratio determined by **Arunesh Kumar Dubey, Registered Valuer (SFA)** ("**Valuer**" / "**Independent Valuer**") an Independent Valuer for the purpose of intended proposed Merger of Belvedere International Limited ("**BIL**" or "Transferor Company 1"), Kanvas Concepts Private Limited ("**KCPL**" or "Transferor Company 2"), Kurlon Retail Limited ("**KRL**" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("**KUPSL**" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("**SVC MPL**" or "Transferor Company 5"), respectively into Kurlon Enterprise Limited ("**KEL**" or "Transferee Company" or "Amalgamating Company"), with effect from the Appointed Date (as defined in the Scheme) and the consequent dissolution of the Transferor Companies without being wound up and (ii) Amalgamation of Amalgamating Company with Sheela Foam Limited ("**SFL**" or "Amalgamated Company" or "Company") with effect from the Appointed Date (as defined in the Scheme) and the consequent dissolution of the Amalgamating Company without being wound up; and issuance of the New Equity Shares (as defined in the Scheme) to the equity shareholders of Amalgamating Company in accordance with Share Exchange Ratio (as defined in the Scheme), pursuant to section 230-232, and other relevant provisions of the Companies Act, in the matter provided for in this Scheme.

SFL and BIL, KCPL, KRL, KUPSL, SVC MPL, KEL are collectively referred to as "Companies".

The Report has been prepared on the basis of the review of information provided to Navigant and specifically the Report on Swap Ratio (hereinafter referred as Valuation Report) prepared by Valuer as an Independent Valuer. The Report does not give any valuation or suggest any Swap Ratio; however, this Report is limited to provide its Fairness Opinion on the Valuation Report.

The information contained in this Report is selective and is subject to updations, expansions, revisions and amendments. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent.



This Report is based on data and explanations provided by the Management and certain other data culled out from various websites believed to be reliable. Navigant has not independently verified any of the information contained herein. Neither the Company nor Navigant, nor affiliated Bodies Corporate, nor the Directors, Shareholders, Managers, Employees or Agents of any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information contained in the Report. All such Parties and Entities expressly disclaim any and all liability for or based on or relating to any such information contained in, or errors in or omissions from, this Report or based on or relating to the Recipients' use of this Report.



Date: 28th March, 2024

To,

SHEELA FOAM LIMITED

604 Ashadeep, 9 Hailey Road, New Delhi, New Delhi, Delhi, India, 110001

Dear Members of the Board,

Engagement Background

We understand that the Board of Directors of Belvedere International Limited (“BIL”), Kanvas Concepts Private Limited (KCPL), Kurlon Retail Limited (KRL), Komfort Universe Products And Services Limited (KUPSL), Starship Value Chain And Manufacturing Private Limited (SVCMLP), Kurlon Enterprise Limited (KEL) and **SHEELA FOAM LIMITED (“SFL” or “Amalgamated Company”)** are considering a Scheme of Arrangement between BIL, KCPL, KRL, KUPSL, SVCMLP, KEL and SFL and their respective Shareholders and Creditors (“the Scheme”) under the provisions of Sections 230 to 232 of the Companies Act, 2013, as may be applicable, and also read with Section 2(1B) and other relevant provisions of the Income-tax Act, 1961, as may be applicable, for Merger of BIL, KCPL, KRL, KUPSL, SVCMLP, KEL into SFL on a going concern basis.

We understand that the Valuation as well as the Swap Ratio thereof is based on the Valuation Report dated 28th March, 2024 issued by Arunesh Kumar Dubey, **Registered Valuer (SFA) (“Valuer”/ “Independent Valuer”)** (IBBI Registration No. **IBBI/RV/03/2020/12786**).

We, Navigant Corporate Advisors Limited, a SEBI registered Category-I Merchant Banker, have been engaged by SFL to give a Fairness Opinion (“Opinion”) on Valuation Report dated 28th March, 2024 issued by Arunesh Kumar Dubey, **Registered Valuer (SFA) (“Valuer”/ “Independent Valuer”)** (IBBI Registration No. **IBBI/RV/03/2020/12786**).

Background of the Companies

Belvedere International Limited (“BIL”) was incorporated as a public limited company on December 21, 2020, under the provisions of the Companies Act, 2013 with corporate identification number U52520KA2020PLC142418 and having its registered office situated at N-301, 3rd Floor, North Block Manipl Centre 47 Dickenson Road, Bangalore, Bangalore, Karnataka, India, 560042 (“hereinafter referred to as **Transferor Company I**”). BIL is wholly owned subsidiary of KEL. BIL is engaged in the business of buying, selling, reselling, importing, exporting, transporting, storing, promoting, marketing, manufacturing or supplying, trading, dealing in any manner whatsoever in all type of goods including mattresses, pillows, furniture and other related products and services of international brands on retail and B2B basis in India.



Kanvas Concepts Private Limited ("**KCPL**") was incorporated as a private limited company on September 22, 2020, under the provisions of the Companies Act, 2013 with corporate identification number U74999KA2020PTC138867 and having its registered office situated at N-301, 3rd Floor, North Block Manipal Centre 47 Dickenson Road, Bangalore, Bangalore, Karnataka, India, 560042 ("hereinafter referred to as **Transferor Company 2**"). KCPL is wholly owned subsidiary of KEL. KCPL is engaged in the business of interiors & exteriors of Homes, stage designer, furnishing, designing, decorating, renovating and remodeling of bungalows, houses, shops, show rooms, complexes, apartments, offices, hotels, restaurants and other commercials and residential houses and for the purpose to act as organizer, consultant, advisor, trader, buyer, seller, supervisor, surveyor, broker, agent and to do all other incidental acts and things necessary for the attainment of the above objects.

Kurlon Retail Limited ("**KRL**") was incorporated as a public limited company on August 31, 2012, under the provisions of the Companies Act, 2013 with corporate identification number U36104KA2012PLC065664 and having its registered office situated at N-301, 3rd Floor, North Block Manipal Centre 47 Dickenson Road, Bangalore, Bangalore, Karnataka, India, 560042 ("hereinafter referred to as **Transferor Company 3**"). KRL is wholly owned subsidiary of KEL. KRL is engaged in the business of buying, selling, storing, promoting, marketing, supplying, trading and dealing in mattresses, pillow, sofa and furniture on retail in India.

Komfort Universe Products and Services Limited ("**KUPSL**") was incorporated as a public limited company on January 18, 2021, under the provisions of the Companies Act, 2013 with corporate identification number U52520KA2021PLC143244 and having its registered office situated at N-301, 3rd Floor, North Block Manipal Centre 47 Dickenson Road, Bangalore, Bangalore, Karnataka, India, 560042 ("hereinafter referred to as **Transferor Company 4**"). KUPSL is wholly owned subsidiary of KEL. KUPSL is engaged in the business of buying, selling, reselling, importing, exporting, transporting, storing, promoting, marketing, supplying, dealing and trading of semi-finished goods (SFG), foam products, RC Pads, EPE Products and other related products and services on B2B basis in India and outside India.

Starship Value Chain and Manufacturing Private Limited ("**SVCMP**") was incorporated as a private limited company on October 09, 2020, under the provisions of the Companies Act, 2013 with corporate identification number U36900KA2020PTC139535 and having its registered office situated at N-301, 3rd Floor, North Block Manipal Centre 47 Dickenson Road, Bangalore, Bangalore, Karnataka, India, 560042 ("hereinafter referred to as **Transferor Company 5**"). SVCMP is wholly owned subsidiary of KEL. SVCMP is engaged in the business as manufacturer, designers, buyers, sellers, importers, exporters, workers, transporters, suppliers of all types of home comfort products, home décor items including furniture, mattresses, pillows, cushions, perfumers on retail and manufacture of all types of furniture equipment appliances for domestic, office, industrial as well as on wholesale basis in India as well as outside India.



Kurlon Enterprise Limited (“**KEL**”) was incorporated as a public limited company on October 03, 2011, under the provisions of the Companies Act, 2013 with corporate identification number L74899DL1971PLC005679 and having its registered office situated at N-301, 3rd Floor, North Block Manipal Centre 47 Dickenson Road, Bangalore, Bangalore, Karnataka, India, 560042 (“hereinafter referred to as “**Amalgamating Company**”). KEL is engaged in the business of manufacturing/trading in diverse areas such as rubberized coir, latex foam, polyurethane foam, bonded foam, pillows, spring mattresses, furniture, furnishings, sofas etc.

Sheela Foam Limited (“**SFL**”) was incorporated as a public limited company on May 18, 1971, under the provisions of the Companies Act, 2013 with corporate identification number L74899DL1971PLC005679 and having its registered office situated at 604 Ashadeep, 9 Hailey Road, New Delhi, New Delhi, Delhi, India, 110001 (“hereinafter referred to as “**Amalgamated Company**”). The equity shares of SFL are listed on BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”) (collectively hereinafter referred to as “**Stock Exchanges**”). SFL is engaged in the business of manufacture flexible, semi-flexible and rigid Poly-Urethane Foam slabs and allied products and processing and fabrication thereof and mattresses and cushions upholstery material, manufacture of furniture; packing material and insulation material, moulding of rigid Poly- Urethane for various shapes and size and manufacture of jackets and such other items by way of lamination of Poly-Urethane Foam with fabric and manufacture of products that may be allied or may be usefully combined with manufacture of any of the material mentioned above.

Transaction Overview and Rational

It is proposed to amalgamate BIL, KCPL, KRL, KUPSL, SVC MPL, KEL into SFL. This arrangement would inter alia have the following benefits:

- Procurement synergies arising on account of higher volume discounts, and ability to negotiate best possible prices;
- Deeper manufacturing footprint, as materials of both the business can be made in any plant location, resulting in enhanced efficiency as well as reduction in servicing time;
- Rationalization of logistic costs considering the combined volume;
- Open-up the door for a new sales channel strategy, enhancing penetration/coverage and leading to better sales;
- Structured, sharper and better management focusing on holistic growth of the businesses;
- Optimum and efficient utilization of resources and sharing of ancillary facilities;
- Common governance structure and effective management of compliances;
- Enhancing shareholder value and leveraging on synergies in doing the business; and
- Cost saving by way of reduction of overheads, administrative, managerial and other expenditure and to bring about operational rationalization and efficiency.



Information relied upon:

We have prepared the Fairness Opinion Report on the basis of the information provided to us and inter alia the following:

- Share Exchange Ratio Report by Arunesh Kumar Dubey, Registered Valuer (SFA) ("Valuer"/ "Independent Valuer") (IBBI Registration No. IBBI/RV/03/2020/12786) dated 28th March, 2024;
- Other information and explanations as provided by the Management.

Further, we had discussions on such matters which we believe are necessary or appropriate for the purpose of issuing the Valuation Report.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed to be good and marketable and we would urge the Company to carry out the independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment.

We have been informed that all information relevant for the purpose of issuing the Fairness Opinion Report has been disclosed to us and we are not aware of any material information that has been omitted or that remains undisclosed.

Our Opinion and Analysis is limited to the extent of review of the Valuation Report by the Valuer and the Draft Scheme Document. In connection with the opinion, we have

- A) Reviewed the Draft Scheme Document and the Valuation Report by the Valuer dated 28th March, 2024.
- B) Provisional financial statements of KEL for the period ended 31st December, 2023;
- C) Reviewed Draft Scheme of Arrangement;
- D) Held discussions with the Valuer, in relation to the approach taken to Valuation and the details of various methodologies utilized by them in preparing the Valuation Report and recommendations;
- E) Reviewed historical Stock Prices and Trading Volumes of SFL at BSE and NSE;
- F) Reviewed such other information and explanations as we have required and which have been provided by the Management of BIL, KCPL, KRL, KUPSL, SVC MPL, KEL and SFL.



This Opinion is intended only for the sole use and information of SFL and in connection with the Scheme, including for the purpose of obtaining Judicial and Regulatory Approvals for the Scheme or the purpose of complying with the SEBI Regulations and requirement of Stock Exchanges on which the Company is listed, and for no other purpose. We are not responsible in any way to any Person/Party/Statutory Authority for any decision of such Person or Party or Authority based on this opinion. Any Person/Party intending to provide finance or invest in the Shares/Business of either BIL and/or SFL or their Subsidiaries /Joint Ventures/Associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

For the purpose of this Assignment, Navigant has relied on the Valuation Certificate for the proposed "Scheme of Arrangement" of BIL, KCPL, KRL, KUPSL, SVC MPL, KEL and SFL and their respective Shareholders and information and explanation provided to it, the accuracy whereof has not been evaluated by Navigant. Navigant's work does not constitute certification or due diligence of any past working results and Navigant has relied upon the information provided to it as set out in working results of the aforesaid reports.

Navigant has not carried out any physical verification of the Assets and Liabilities of the Companies and takes no responsibility on the identification and availability of such Assets and Liabilities.

We hereby give our consent to present and disclose the Fairness Opinion in the Board /General Meetings of BIL, KCPL, KRL, KUPSL, SVC MPL, KEL and SFL and to the Stock Exchanges and to the Registrar of Companies. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed scheme of Arrangement with the provisions of any Law including Companies, Taxation and Capital Market related Laws or as regards any Legal implications or issues arising thereon.

The information contained in this Report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The Report has been prepared solely for the purpose of giving a Fairness Opinion on Valuation Certificate issued for the proposed Scheme of Arrangement between BIL, KCPL, KRL, KUPSL, SVC MPL, KEL and SFL and their respective Shareholders, and may not be applicable or referred to or quoted in any other context.



Our opinion is dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment does not involve performing Audit tests for the purpose of expressing an Opinion on the Fairness or Accuracy of any Financial or Analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any Opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to this date.

We have assumed that the Final Scheme will not differ in any material respect from the Draft Scheme Document shared with us.

We do not express any Opinion as to any tax or other consequences that might arise from the Scheme on BIL, KCPL, KRL, KUPSL, SVC MPL, KEL and SFL and their respective Shareholders, nor does our Opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the respective Companies have obtained such advice as they deemed necessary from qualified Professionals. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, government investigation or other contingent liabilities to which BIL, KCPL, KRL, KUPSL, SVC MPL, KEL and SFL and/or their Associates/ Subsidiaries, are or may be Party.

The Company has been provided with an opportunity to review the Draft Opinion as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Final Opinion.

Our Opinion is not intended to and does not constitute a recommendation to any Shareholder as to how such holder should vote or act in connection with the Scheme or any matter thereto.



Our Fairness Opinion:

Based upon Valuation work carried out by Arunesh Kumar Dubey, Registered Valuer (SFA) ("Valuer"/ "Independent Valuer") we are of the Opinion that the purpose of the proposed Merger of BIL, KCPL, KRL, KUPSL, SVC MPL, KEL into SFL are fair, from a financial point of view.

The fairness of the Proposed Merger is tested by:

- (1) Considering whether the Valuation Methods adopted by Arunesh Kumar Dubey, Registered Valuer (SFA) ("Valuer"/ "Independent Valuer") depict a correct picture on the value of shares of all companies;
- (2) Calculating the Fair Market Value of Companies;
- (3) Considering qualitative factors such as economies of scale of operations, synergy benefits that may result from the proposed Merger of BIL, KCPL, KRL, KUPSL, SVC MPL, KEL into SFL .

In the light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined in the valuation report, dated 28th March, 2024 issued by Arunesh Kumar Dubey, it has been recommended by the Valuer that the fair exchange ratio for the proposed Arrangement shall be as follows:

"52 (Fifty-two) Equity Shares of Rs. 5 each fully paid up of SFL for every 100 (One hundred) equity shares of Rs. 5/- each fully paid up of KEL.

The rationale for Share Exchange Ratio as explained above, will be issued as assumed by Arunesh Kumar Dubey, Registered Valuer (SFA) ("Valuer"/ "Independent Valuer") is justified.

We are in opinion that, Arunesh Kumar Dubey, Registered Valuer (SFA) ("Valuer"/ "Independent Valuer") is justified by taking the Fair Value of Companies, and covers each aspect of valuation.

This being of our best of professional understanding, we hereby sign the Fairness Opinion Report on Valuation.

For Navigant Corporate Advisors Limited



Sarthak Vijlani
Managing Director
Place: Mumbai


Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | |
|----|---|
| 1. | Name of Listed Entity: Sheela Foam Limited |
| 2. | Scrip Code/Name of Scrip/Class of Security: 540203 |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) |
| | a. If under 31(1)(b) then indicate the report for Quarter ending |
| | b. If under 31(1)(c) then indicate date of allotment/extinguishment |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- |

| | Particulars | Yes* | No* |
|---|--|------|-----|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.


SHEELA FOAM LTD.

#14, Sleepwell Tower, Sector 135, Noida- 201301

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CIN-L74899DL1971PLC005679



Sheela Foam Limited
Table 1 - Summary Statement holding of specified securities

| Category | Category of shareholder | No. of shareholders | No. of fully paid-up equity shares held | No. of Equity linked-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities as a percentage of diluted share capital | Number of Locked in Shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form | |
|----------|-------------------------------|---------------------|---|--|--|------------------------|---|--|-------------|-----------|--|--|----------------------------|---------|--|---------|---|---------------------------------|
| | | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total shares held (b) | No. (c) | | As a % of total shares held (d) |
| | | | | | | | | Class eq. X | Class eq. Y | Total | | | | | | | | |
| (A) | Promoter & Promoter Group | 4 | 71174174 | 0 | 0 | 71174174 | 66.4792 | 71174174 | 0 | 71174174 | 66.4792 | 0 | 0.0000 | 0 | 0.0000 | 0 | 71174174 | |
| (B) | Public | 29099 | 37523167 | 0 | 0 | 37523167 | 34.5208 | 37523167 | 0 | 37523167 | 34.5208 | 0 | 0.0000 | N/A | N/A | 0 | 37523167 | |
| (C) | Non Promoter - Non Public | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | N/A | N/A | 0 | 0 | |
| (C1) | Shares Underlying DRs | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | N/A | N/A | 0 | 0 | |
| (C2) | Shares Held by Employee Trust | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | N/A | N/A | 0 | 0 | |
| | Total | 39103 | 108697341 | 0 | 0 | 108697341 | 100.0000 | 108697341 | 0 | 108697341 | 100.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 108697341 | |



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Sheela Foam Limited
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholder | Entry Type | Nos. of sharehold-ers | No. of fully paid up equity shares held | Partly paid-up equity (shares held) | No. of shares underlyin- g Deposits | Total nos. shares held | Sharehold- ing % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | Total as a % of Total Voting Rights | Shares Underlyin- g Outstanding convertible securities (including convertible securities) | Ing. as a % assuming full conversion of convertible securities | Number of Locked In shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form |
|--|----------------|-----------------------|---|-------------------------------------|-------------------------------------|------------------------|---|--|--------------|---------------|-------------------------------------|---|--|---------------------------------|---------|--|---------|---|
| | | | | | | | | Class eq: I | Class eq: II | Class eq: III | | | | As a % of total shares held (L) | No. (M) | As a % of total shares held (N) | No. (O) | |
| (A) Indian | | | | | | | | | | | | | | | | | | |
| (a) Individuals / Hindu Undivided Family | | 3 | 5803356 | 0 | 0 | 5803356 | 53.3027 | 5803356 | 0 | 0 | 5803356 | 53.3027 | 0 | 0 | 0 | 0 | 0 | 5803356 |
| Toshar Gauram | Promoters | 1 | 34372638 | 0 | 0 | 34372638 | 31.4363 | 34372638 | 0 | 0 | 34372638 | 31.4363 | 0 | 0 | 0 | 0 | 0 | 34372638 |
| Rajul Gauram | Promoters | 1 | 17418970 | 0 | 0 | 17418970 | 16.2553 | 17418970 | 0 | 0 | 17418970 | 16.2553 | 0 | 0 | 0 | 0 | 0 | 17418970 |
| Namita Gauram | Promoter Group | 1 | 12431758 | 0 | 0 | 12431758 | 11.5371 | 12431758 | 0 | 0 | 12431758 | 11.5371 | 0 | 0 | 0 | 0 | 0 | 12431758 |
| (b) Central Government / State Government(s) | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) Financial Institutions / Banks | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) Any Other (Specify) | | 1 | 13150818 | 0 | 0 | 13150818 | 12.0966 | 13150818 | 0 | 0 | 13150818 | 12.0966 | 0 | 0 | 0 | 0 | 0 | 13150818 |
| Indicus Corporate | Promoters | 1 | 13150818 | 0 | 0 | 13150818 | 12.0966 | 13150818 | 0 | 0 | 13150818 | 12.0966 | 0 | 0 | 0 | 0 | 0 | 13150818 |
| Ramulh Reports P Ltd | Promoters | 1 | 13150818 | 0 | 0 | 13150818 | 12.0966 | 13150818 | 0 | 0 | 13150818 | 12.0966 | 0 | 0 | 0 | 0 | 0 | 13150818 |
| Sub Total (A)(1) | | 4 | 73174124 | 0 | 0 | 73174124 | 66.4792 | 73174124 | 0 | 0 | 73174124 | 66.4792 | 0 | 0 | 0 | 0 | 0 | 73174124 |
| (B) Foreign | | | | | | | | | | | | | | | | | | |
| (a) Individuals (Non Resident Individuals / Foreign Individuals) | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b) Governments | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) Institutions | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) Foreign Portfolio Investor | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e) Any Other (Specify) | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub Total (B)(1) | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Shareholding of Promoter And Promoter Group (A)+(B)(1)(A)(1)+(B)(1)(2) | | 4 | 73174124 | 0 | 0 | 73174124 | 66.4792 | 73174124 | 0 | 0 | 73174124 | 66.4792 | 0 | 0 | 0 | 0 | 0 | 73174124 |

Details of Shares which remain undaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/undaimed suspense account, voting rights which are from etc.

Note :
 [1] PAN would not be displayed on website of Stock Exchanges
 [2] The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.





Sheela Foam Limited
Table III - Statement showing shareholding pattern of the Public shareholder

| Category & Name of the shareholders | No. of shares held | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total no. shares held | Shareholding % (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked In Shares | Number of Shares pledged or otherwise encumbered | Number of equity shares held in demat (No. of shares) | Sub-category (No. of shares) | |
|---|--------------------|---|-----------------------------------|--|-----------------------|---|--|----------------|--|--|----------------------------|--|---|------------------------------|-------------|
| | | | | | | | Class 'e' | Class 'a-f' | | | | | | Category I | Category II |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | (m) | (n) | (o) |
| I Institutions (Domestic) | | | | | | | | | | | | | | | |
| (a) Mutual Fund | 13 | 21408431 | 0 | 0 | 13608431 | 21.719% | 13608431 | 13608431 | 0 | 21.719% | 0 | 0 | 13608431 | 0 | 0 |
| (b) Insurance Companies | 1 | 1000000 | 0 | 0 | 1000000 | 1.627% | 1000000 | 1000000 | 0 | 1.627% | 0 | 0 | 1000000 | 0 | 0 |
| (c) Banks | 0 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |
| (d) Depository Participants | 0 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |
| (e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |
| (f) Alternative Investment Funds | 2 | 113785 | 0 | 0 | 113785 | 0.1837% | 113785 | 113785 | 0 | 0.1837% | 0 | 0 | 113785 | 0 | 0 |
| (g) PFRDA | 0 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |
| (h) Insurance Companies | 1 | 2488008 | 0 | 0 | 2488008 | 4.019% | 2488008 | 2488008 | 0 | 4.019% | 0 | 0 | 2488008 | 0 | 0 |
| (i) Life Insurance Co. Ltd. | 1 | 2214031 | 0 | 0 | 2214031 | 3.576% | 2214031 | 2214031 | 0 | 3.576% | 0 | 0 | 2214031 | 0 | 0 |
| (j) Provident Funds/Pension Funds | 0 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |
| (k) Asset Reconstruction Companies | 0 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |
| (l) Sovereign Wealth Funds | 0 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |
| (m) NRIs registered with RBI | 1 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |
| (n) Other Financial Institutions | 0 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |
| (o) Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |
| Sub Total (Domestic) | 18 | 2488008 | 0 | 0 | 2488008 | 4.019% | 2488008 | 2488008 | 0 | 4.019% | 0 | 0 | 2488008 | 0 | 0 |
| II Institutions (Foreign) | | | | | | | | | | | | | | | |
| (a) Foreign Direct Investment | 0 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |
| (b) Foreign Venture Capital Investors | 0 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |
| (c) Sovereign Wealth Funds | 0 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |
| (d) Foreign Portfolio Investors - Category I | 1 | 1720015 | 0 | 0 | 1720015 | 2.782% | 1720015 | 1720015 | 0 | 2.782% | 0 | 0 | 1720015 | 0 | 0 |
| (e) Foreign Institutional Investors - Category II | 1 | 2760416 | 0 | 0 | 2760416 | 4.454% | 2760416 | 2760416 | 0 | 4.454% | 0 | 0 | 2760416 | 0 | 0 |
| (f) Foreign Portfolio Investors - Category III | 1 | 111187 | 0 | 0 | 111187 | 0.179% | 111187 | 111187 | 0 | 0.179% | 0 | 0 | 111187 | 0 | 0 |
| (g) Overseas Depositors (holding ODR) (for banking figure) | 0 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |
| (h) Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |
| Sub Total (Foreign) | 6 | 4762423 | 0 | 0 | 4762423 | 7.654% | 4762423 | 4762423 | 0 | 7.654% | 0 | 0 | 4762423 | 0 | 0 |
| III Central Government/State Government(s) | | | | | | | | | | | | | | | |
| (a) Central Government / President of India | 0 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |
| (b) State Government / Governor | 0 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |
| (c) Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter | 0 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |
| Sub Total (Govt) | 0 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |
| IV Non-Institutions | | | | | | | | | | | | | | | |
| (a) Associate companies / Subsidiaries | 0 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |
| (b) Directors and their relatives (excluding independent Directors and nominee Directors) | 0 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |
| (c) Key Managerial Personnel | 0 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |
| (d) Relatives of promoters (other than "immediate relatives" of promoters disclosed under "Promoter and Promoter Group" category) | 0 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |
| (e) Trusts where any person belonging to "Promoter and Promoter Group" category is "Trustee", "beneficiary", or "author of the trust" | 0 | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 |

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| | | Q1 2021 | | | Q4 2020 | | | Q3 2020 | | | Q2 2020 | | | Q1 2020 | | |
|------|---|---------|---|---|---------|---|---|---------|---|-----|---------|-----|---|---------|---|--|
| | | No. | % | | No. | % | | No. | % | No. | % | No. | % | No. | % | |
| (1) | Investor Education and Protection Fund (IEPF) | 0 | | | 0 | | | 0 | | 0 | | 0 | | 0 | | |
| (2) | Resident Dual Mutual Holding Unit/Unit Share | | | | | | | | | | | | | | | |
| (3) | Resident Individual Holding (nominal share) | 272118 | 0 | 0 | 2902018 | 0 | 0 | 2403018 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (4) | Total in excess of Rs. 2 lakhs | 272118 | 0 | 0 | 2902018 | 0 | 0 | 2403018 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (5) | Non Resident Resident (NRRI) | 710 | 0 | 0 | 84276 | 0 | 0 | 84276 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (6) | Foreign Resident | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (7) | Foreign Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (8) | Indian Corporate | 110 | 0 | 0 | 118839 | 0 | 0 | 118839 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (9) | Any Other (Specify) | 794 | 0 | 0 | 146701 | 0 | 0 | 146701 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (10) | India Central Locking Facility(NSLF) | 18 | 0 | 0 | 2117 | 0 | 0 | 2117 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (11) | Mutual Unallocated Funds | 422 | 0 | 0 | 138663 | 0 | 0 | 138663 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (12) | Trading Member | 6 | 0 | 0 | 4895 | 0 | 0 | 4895 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (13) | Total (2021) | 272818 | 0 | 0 | 2913818 | 0 | 0 | 2407913 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (14) | Total Public Shareholding (2021) | 272818 | 0 | 0 | 2913818 | 0 | 0 | 2407913 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

| No. of shareholders | No. of Shares |
|---------------------|---------------|
| 0 | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

| No. of shareholders | No. of |
|---------------------|--------|
| 0 | |

Note:

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be submitted along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(2)(1) is not applicable in the above format.
- (3) In v.l. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.
- (4) Categorisation and disclosure of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be classified in the category falling first in the order.
- (5) Sub-categorisation of shares under column no.(4)(i) will be based on shareholdings of shareholder the following sub-categories:
- (6) Shareholder who are represented by a non/area Director on the board of the listed entity or have the right to nominate a representative(s) i.e. Director on the board of the listed entity.
- (7) Shareholder who have entered into shareholder agreement with the listed entity.
- (8) Shareholders acting as persons in concert with promoters.



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| Sheela Foam Limited | | | | | | | | | | | | | | | | | |
|--|----------------------|---|-----------------------------------|--|------------------------|--|--|-------------|-------|--|---|----------------------------|---------|--|---------|---|--------------------------------|
| Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder | | | | | | | | | | | | | | | | | |
| Category & Name of the shareholders | No. of sharehold-ers | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlyin-g Depositar-y Receipts | Total nos. shares held | Sharehold-ing % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities (Including Warrants) | Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form | |
| | | | | | | | No. of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held(b) | No. (a) | | As a % of total Shares held(b) |
| | | | | | | | Class no. X | Class no. Y | Total | | | | | | | | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) As a % of (A+B+C) | (VIII) | (IX) | (X) | (XI) (a) | (XII) (b) | (XIII) | (XIV) | (XV) | (XVI) | | |
| 1 Custodian/DH holder | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefit and Sweat Equity) Regulations, 2011 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| 2 Total Non-Promoter- Non Public Shareholding (C) = (C)(1)+(C)(2) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |

Note :

- (1) PAN would not be displayed on website of Stock Exchange(s).
 (2) The above format needs to be disclosed along with the names of the shareholders holding 3% or more than 3% of shares of the listed entity. Column no.(XII) is not applicable in the above format.
 (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.



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Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | |
|----|---|
| 1. | Name of Listed Entity: Sheela Foam Limited |
| 2. | Scrip Code/Name of Scrip/Class of Security: 540203 |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) |
| | a. If under 31(1)(b) then indicate the report for Quarter ending |
| | b. If under 31(1)(c) then indicate date of allotment/extinguishment |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- |

| | Particulars | Yes* | No* |
|---|--|------|-----|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.



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Sheela Foam Limited
Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | Nos. of shareholder | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities (Including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (As a percentage of diluted share capital) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form |
|----------|-------------------------------|---------------------|---|--|--|--|--|-------------|----------|--|--|----------------------------|---------|--|---------|---|
| | | | | | | | Class eg: E | Class eg: V | Total | | | As a % of (A+B+C) | No. (a) | As a % of total (Share held) (b) | No. (c) | |
| (A) | Promoter & Promoter Group | 4 | 71174174 | 0 | 0 | 71174174 | 65.4792 | 71174174 | 65.4792 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 71174174 |
| (B) | Public | 39099 | 37523167 | 0 | 0 | 37523167 | 34.5208 | 37523167 | 34.5208 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 37523167 |
| (C) | Non Promoter - Non Public | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (C1) | Shares Underlying DRs | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (C2) | Shares Held By Employee Trust | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| | Total | 37103 | 10869734 | 0 | 0 | 10869734 | 100.0000 | 10869734 | 100.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 10869734 |



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Sheela Foam Limited
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the Shareholders | Equity Type | PAN | No. of Shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlien & Depositor Receipts | Total nos. (VII) = (IV) + (V) + (VI) | Shareholding % (VII) As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | Shares Underlien & Depositor Receipts | No. as a % assuming full conversion of convertible securities (including DTs) | Number of Locked in shares | Number of Shares pledged or otherwise encumbered | Number of equity shares held in Non-votable form | |
|--|-----------------|-------------|---------------------|---|-----------------------------------|--|--------------------------------------|--|--|-------|-----------------|---------------------------------------|---|----------------------------|--|--|-------------------------------------|
| | | | | | | | | | No. of Voting Rights | | | | | | | | Total as a % of Total Voting Rights |
| | | | | | | | | | Class (e.g. Class A) | Total | As a % of Total | | | | | | |
| 1 Indian | | | | | | | | | | | | | | | | | |
| (a) Individuals / Hindu Undivided Family | | | | | | | | | | | | | | | | | |
| Tushar Gautam | Promoters | AABAP9534C | 1 | 18023316 | 0 | 0 | 18023316 | 55.8007 | 50023316 | 0 | 18023316 | 53.3803 | 0 | 0.0000 | 0 | 0.0000 | 18023316 |
| Rahul Gautam | Promoters | AAAP021705B | 1 | 14172828 | 0 | 0 | 14172828 | 31.4383 | 14172828 | 0 | 14172828 | 31.4383 | 0 | 0.0000 | 0 | 0.0000 | 14172828 |
| Nehru Gautam | Promoters Group | AABHG2355LA | 1 | 12418920 | 0 | 0 | 12418920 | 11.4753 | 12418920 | 0 | 12418920 | 11.4753 | 0 | 0.0000 | 0 | 0.0000 | 12418920 |
| (b) Central Government / State Governments | | | | | | | | | | | | | | | | | |
| (c) Financial Institutions / Banks | | | | | | | | | | | | | | | | | |
| (d) Any Other (Specify) | | | | | | | | | | | | | | | | | |
| Radika Corporate | Promoters | AAAC76061N | 1 | 11150818 | 0 | 0 | 11150818 | 12.0968 | 11150818 | 0 | 11150818 | 12.0968 | 0 | 0.0000 | 0 | 0.0000 | 11150818 |
| Foreign Reports / List | | | | | | | | | | | | | | | | | |
| Sub Total (A)(1) | | | 4 | 71174174 | 0 | 0 | 71174174 | 65.4799 | 71174174 | 0 | 71174174 | 65.4792 | 0 | 0.0000 | 0 | 0.0000 | 71174174 |
| 2 Foreign | | | | | | | | | | | | | | | | | |
| (a) Individuals (Non-Resident Individuals / Foreign Individuals) | | | | | | | | | | | | | | | | | |
| (b) Government | | | | | | | | | | | | | | | | | |
| (c) Institutions | | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investor | | | | | | | | | | | | | | | | | |
| (e) Any Other (Specify) | | | | | | | | | | | | | | | | | |
| Sub Total (A)(2) | | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 |
| Total Shareholding Of Promoter And Promoter Group (A)(1)+(A)(2) | | | 4 | 71174174 | 0 | 0 | 71174174 | 65.4799 | 71174174 | 0 | 71174174 | 65.4792 | 0 | 0.0000 | 0 | 0.0000 | 71174174 |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note :
 (1) PAN would not be displayed on website of Stock Exchange(s)
 (2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



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Sheela Foam Limited
Table B - Statement showing shareholding pattern of the Public shareholder

| Category & Name of the shareholder | PAN | No. of shares held | | | | | No. of fully paid-up equity shares held | No. of shares underlying a warrant | Total nos. shares held | Shareholding % (As on 30.09.2021) | Number of Voting Rights | | | Total as a % of Total Voting Rights | Underlying Derivative contracts | Shareholding, as a % of convertible securities (as a percentage of total shares held) | Member of Listed in 5 days | Number of shares held as at the date of reporting | No. of Shares Held in % of Total Shares (As on 30.09.2021) | Number of Shares Held as a % of Total Shares (As on 30.09.2021) | Sub-categorization of shares |
|--|-----|--------------------|-----|-----|-----|-----|---|------------------------------------|------------------------|-----------------------------------|---|-------------------------------|-------------------------------|-------------------------------------|---------------------------------|---|----------------------------|---|--|---|------------------------------|
| | | F2E | F2P | F2S | F2T | F2V | | | | | No. of Voting Rights (Total no. of shares held) | As a % of Total Voting Rights | As a % of Total Voting Rights | | | | | | | | |
| 1. Institutions (Domestic) | | | | | | | | | | | | | | | | | | | | | |
| 2. Mutual Fund | | | | | | | | | | | | | | | | | | | | | |
| 3. Insurance Corporations | | | | | | | | | | | | | | | | | | | | | |
| 4. Banks | | | | | | | | | | | | | | | | | | | | | |
| 5. Financial Institutions | | | | | | | | | | | | | | | | | | | | | |
| 6. Venture Capital Funds | | | | | | | | | | | | | | | | | | | | | |
| 7. Non-Resident Indians (NRIs) | | | | | | | | | | | | | | | | | | | | | |
| 8. Foreign Institutional Investors (FIIs) | | | | | | | | | | | | | | | | | | | | | |
| 9. Foreign Venture Capital Investors (FVCIs) | | | | | | | | | | | | | | | | | | | | | |
| 10. Foreign Portfolio Investors (FPIs) | | | | | | | | | | | | | | | | | | | | | |
| 11. Other investors | | | | | | | | | | | | | | | | | | | | | |
| 12. Promoters and Promoter Group | | | | | | | | | | | | | | | | | | | | | |
| 13. Public | | | | | | | | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | | | | | | | | |

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Table with multiple columns containing financial data, likely a shareholder register or financial statement. Headers include categories like 'Member Mutual Fund', 'Shareholding pattern', and 'Total Public Shareholding (%)'. The table contains numerical values across several rows.

Details of the shareholders acting as persons in Concert including their shareholding (M, and N):

Table with 3 columns: Sr. no. of shareholders, No. of Shares, %

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Table with 3 columns: Sr. no. of shareholders, No. of Shares, %

Note :

- (1) N/A would not be displayed on website of Stock Exchange(s).
(2) The above format needs to be disclosed along with the name of the shareholder holding 1% or more than 1% of shares of the listed entity.
(3) If the information pertaining to Depository Records, the same may be disclosed in the respective column to the extent information available and the balance to be disclosed as held by custodian.
(4) Categorization and disclosure of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be classified in the category falling first in the order prescribed in the above format.
(5) Sub-participation of shares under column no (M) will be based on shareholding/holding of shares under the following sub-categories.
(6) Shareholder who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative(s) on the board of the listed entity.
(7) Shareholder who have entered into shareholder agreement with the listed entity.
(8) Shareholders acting as persons in concert with promoters.





Sheela Foam Limited

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholders

| Category & Name of the shareholders | PAN | No. of shares held | | | | | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | Total as a % of (A+B+C) | Shares Underlying Outstanding convertible securities (including securities) | Ing., as a % assuming full conversion | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in demat form | |
|--|-----|--------------------|-----|-----|-----|-----|------------------------|---|--|---------|--------|-------------------------|---|---------------------------------------|----------------------------|-----------------------------|--|-----------------------------|--|---|
| | | (B) | (C) | (D) | (E) | (F) | | | Class 1 | Class 2 | Total | | | | (No. of) | As a % of total shares held | (No. of) | As a % of total shares held | | |
| 1. Custodian/DR Holder | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| 2. Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021 | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| Total Non Promoter- Non Public Shareholding (C)-(D)+(E)+(F) | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |

Note:

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (XIII) is not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.



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 CIN-L74899DL1971PLC005679


Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | |
|----|---|
| 1. | Name of Listed Entity: Sheela Foam Limited |
| 2. | Scrip Code/Name of Scrip/Class of Security: 540203 |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) |
| | a. If under 31(1)(b) then indicate the report for Quarter ending |
| | b. If under 31(1)(c) then indicate date of allotment/extinguishment |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- |

| | Particulars | Yes* | No* |
|---|--|------|-----|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.



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Sheela Foam Limited
Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | No. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including securities held by) | No. (A) | As a % of total shares held (B) | Number of shares pledged or otherwise encumbered | As a % of total shares held (C) | Number of equity shares held in dematerialized form |
|----------|-------------------------------|---------------------|---|--|--|------------------------|---|--|-------------|-----------|---|---------|---------------------------------|--|---------------------------------|---|
| | | | | | | | | Class eg: X | Class eg: Y | Total | | | | | | |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) | (N) | (O) | (P) | |
| (A) | Promoter & Promoter Group | 1 | 71174174 | 0 | 0 | 71174174 | 82.1628 | 71174174 | 0 | 71174174 | 85.1889 | 0 | 0.0000 | 0 | 0.0000 | 71174174 |
| (B) | Public | 38827 | 38045875 | 0 | 0 | 38045875 | 44.8341 | 38045875 | 0 | 38045875 | 38.8341 | 0 | 0.0000 | NA | NA | 38045875 |
| (C) | Non Promoter - Non Public | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0 | 0.0000 | NA | NA | NA | 0 |
| (D) | Shares Underlying Ots | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0 | 0.0000 | NA | NA | NA | 0 |
| (E) | Shares held by Employee Trust | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0 | 0.0000 | NA | NA | NA | 0 |
| | Total | 40831 | 109220049 | 0 | 0 | 109220049 | 100.0000 | 109220049 | 0 | 109220049 | 100.0000 | 0 | 0.0000 | 0 | 0.0000 | 109220049 |



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Sheela Foam Limited
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholders | Entity Type | No. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of PA&A-CF | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including dilutable share options) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares | | Number of shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form | |
|-------------------------------------|--|---------------------|---|-----------------------------------|--|------------------------|---|--|---|-------|--|--|-------------------------------------|---------|--|---------|---|--------------------------------|
| | | | | | | | | No of Voting Rights | | | | | Total as a % of Total Voting Rights | No. (a) | As a % of total shares (b-c+d) | No. (e) | | As a % of total shares (f-g+h) |
| | | | | | | | | Class | % | Total | | | | | | | | |
| I | Indian | | | | | | | | | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | 2 | 1482334 | 0 | 0 | 1482334 | 53.125187% | 1482334 | 0 | 0 | 1482334 | 53.125187% | 0 | 0.0000 | 0 | 0.0000 | 1482334 | |
| | Toshar Gauram | Promoters | 1 | 3417282 | 0 | 3417282 | 11.287007% | 3417282 | 0 | 0 | 3417282 | 11.287007% | 0 | 0.0000 | 0 | 0.0000 | 3417282 | |
| | Rajni Gauram | Promoters | 1 | 1241872 | 0 | 1241872 | 4.241872% | 1241872 | 0 | 0 | 1241872 | 4.241872% | 0 | 0.0000 | 0 | 0.0000 | 1241872 | |
| | Hemra Gauram | Promoter Group | 1 | 1143178 | 0 | 1143178 | 3.943178% | 1143178 | 0 | 0 | 1143178 | 3.943178% | 0 | 0.0000 | 0 | 0.0000 | 1143178 | |
| (b) | Central Government / State Government(s) | | 0 | 0 | 0 | 0 | 0.0000% | 0 | 0 | 0 | 0 | 0.0000% | 0 | 0.0000 | 0 | 0.0000 | 0 | |
| (c) | Financial Institutions / Banks | | 0 | 0 | 0 | 0 | 0.0000% | 0 | 0 | 0 | 0 | 0.0000% | 0 | 0.0000 | 0 | 0.0000 | 0 | |
| (d) | Any Other Entity(s) | | 1 | 13150818 | 0 | 13150818 | 45.666826% | 13150818 | 0 | 0 | 13150818 | 45.666826% | 0 | 0.0000 | 0 | 0.0000 | 13150818 | |
| | India Corporate | | 1 | 13150818 | 0 | 13150818 | 45.666826% | 13150818 | 0 | 0 | 13150818 | 45.666826% | 0 | 0.0000 | 0 | 0.0000 | 13150818 | |
| | Rangoli Securities P Ltd | Promoters | 1 | 13150818 | 0 | 13150818 | 45.666826% | 13150818 | 0 | 0 | 13150818 | 45.666826% | 0 | 0.0000 | 0 | 0.0000 | 13150818 | |
| | Soly Total (A)(1) | | 4 | 21124134 | 0 | 21124134 | 73.124134% | 21124134 | 0 | 0 | 21124134 | 73.124134% | 0 | 0.0000 | 0 | 0.0000 | 21124134 | |
| J | Foreign | | 0 | 0 | 0 | 0 | 0.0000% | 0 | 0 | 0 | 0.0000% | 0 | 0.0000 | 0 | 0.0000 | 0 | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | | 0 | 0 | 0 | 0 | 0.0000% | 0 | 0 | 0 | 0.0000% | 0 | 0.0000 | 0 | 0.0000 | 0 | | |
| (b) | Government | | 0 | 0 | 0 | 0 | 0.0000% | 0 | 0 | 0 | 0.0000% | 0 | 0.0000 | 0 | 0.0000 | 0 | | |
| (c) | Institutions | | 0 | 0 | 0 | 0 | 0.0000% | 0 | 0 | 0 | 0.0000% | 0 | 0.0000 | 0 | 0.0000 | 0 | | |
| (d) | Foreign Portfolio Investor | | 0 | 0 | 0 | 0 | 0.0000% | 0 | 0 | 0 | 0.0000% | 0 | 0.0000 | 0 | 0.0000 | 0 | | |
| (e) | Any Other Entity(s) | | 0 | 0 | 0 | 0 | 0.0000% | 0 | 0 | 0 | 0.0000% | 0 | 0.0000 | 0 | 0.0000 | 0 | | |
| | Sub-Total (A)(2) | | 0 | 0 | 0 | 0 | 0.0000% | 0 | 0 | 0 | 0.0000% | 0 | 0.0000 | 0 | 0.0000 | 0 | | |
| | Total Shareholding of Promoter and Promoter Group (A)+(A)(2) | | 4 | 21124134 | 0 | 21124134 | 73.124134% | 21124134 | 0 | 0 | 21124134 | 73.124134% | 0 | 0.0000 | 0 | 0.0000 | 21124134 | |

Details of shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note:

- (1) PA&A would not be displayed on website of Stock Exchange(s)
- (2) The term 'Encumbrance' has the same meaning as assigned under regulation 2(2)(c) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



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Sheela Foam Limited
Table 23 - Statement showing shareholding pattern of the Public Shareholder

| Category & Name of the Shareholder | Nos. of Sharehold-ers | Nos. of Fully Paid up equity shares held | Partly paid-up equity shares held | No. of Shares underly- ing Depositor Total nos. shares in Depositor's hand | Shareholding % (including Depositor's hand) as a % of Total Nos. of Shares | Number of Voting Rights held in each class of securities | | | No. of Shares underlying Outstanding convertible securities (as a percentage of diluted share capital) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked In Shares | | Number of Shares pledged or otherwise encumbered | Sub-classes of shares (Shareholding % of Shares) | |
|---|-----------------------|--|-----------------------------------|--|--|--|-----------------|---------------------|--|--|-------------------------------------|-------------------------------|--|--|---|
| | | | | | | No. of Voting Rights | | | | | Total as a % of Total Voting Rights | As a % of total Shares (only) | | | As a % of total Shares held in Depository |
| | | | | | | Class up to 5% | Class 5% to 10% | Class 10% and above | | | | | | | |
| 1. Institutional (Domestic) | | | | | | | | | | | | | | | |
| 1.1 Mutual Fund | 11 | 2292411 | 0 | 2292411 | 21.813% | 2292411 | 2292411 | 2292411 | 21.813% | 2292411 | 0 | 0 | 2292411 | 21.813% | |
| 1.2 Insurance Mutual Fund | 1 | 10623483 | 0 | 10623483 | 10.244% | 10623483 | 10623483 | 10623483 | 10.244% | 10623483 | 0 | 0 | 10623483 | 10.244% | |
| 1.3 Central Depository Scheme | 1 | 3827177 | 0 | 3827177 | 3.714% | 3827177 | 3827177 | 3827177 | 3.714% | 3827177 | 0 | 0 | 3827177 | 3.714% | |
| 1.4 Life Insurance Corp. of India | 1 | 2497976 | 0 | 2497976 | 2.432% | 2497976 | 2497976 | 2497976 | 2.432% | 2497976 | 0 | 0 | 2497976 | 2.432% | |
| 1.5 National Pension System (EPS) - India | 1 | 211298 | 0 | 211298 | 0.205% | 211298 | 211298 | 211298 | 0.205% | 211298 | 0 | 0 | 211298 | 0.205% | |
| 1.6 Life Insurance Corp. of India | 1 | 203221 | 0 | 203221 | 0.197% | 203221 | 203221 | 203221 | 0.197% | 203221 | 0 | 0 | 203221 | 0.197% | |
| 1.7 National Pension System (EPS) - India | 1 | 177648 | 0 | 177648 | 0.172% | 177648 | 177648 | 177648 | 0.172% | 177648 | 0 | 0 | 177648 | 0.172% | |
| 1.8 Banks | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0.000% | |
| 1.9 Insurance Companies | 7 | 298880 | 0 | 298880 | 0.290% | 298880 | 298880 | 298880 | 0.290% | 298880 | 0 | 0 | 298880 | 0.290% | |
| 1.10 Depository Co. Ltd. | 1 | 271811 | 0 | 271811 | 2.642% | 271811 | 271811 | 271811 | 2.642% | 271811 | 0 | 0 | 271811 | 2.642% | |
| 1.11 Provident Fund/ Pension Funds | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0.000% | |
| 1.12 Asset Reconstruction Companies | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0.000% | |
| 1.13 Sovereign Wealth Funds | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0.000% | |
| 1.14 NRRI registered with RBI | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0.000% | |
| 1.15 Other Financial Institutions | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0.000% | |
| 1.16 Any Other Category | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0.000% | |
| Sub Total (Domestic) | 17 | 38462748 | 0 | 38462748 | 37.363% | 38462748 | 38462748 | 38462748 | 37.363% | 38462748 | 0 | 0 | 38462748 | 37.363% | |
| 2. Institutional (Foreign) | | | | | | | | | | | | | | | |
| 2.1 Foreign Direct Investment | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0.000% | |
| 2.2 Foreign Venture Capital Investors | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0.000% | |
| 2.3 Foreign Portfolio Investors | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0.000% | |
| 2.4 Foreign Portfolio Investors Category - I | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0.000% | |
| 2.5 Foreign Portfolio Investors Category - II | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0.000% | |
| 2.6 Foreign Portfolio Investors Category - III | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0.000% | |
| 2.7 Business Investor/ Venture Equity Distributing Agent | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0.000% | |
| 2.8 Any Other Category | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0.000% | |
| Sub Total (Foreign) | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0.000% | |
| 3. Central Government/ State Govt. etc. | | | | | | | | | | | | | | | |
| 3.1 Central Government/ State Govt. etc. | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0.000% | |
| 4. Shareholdings by Companies or Bodies Corporate whose Central / State Government is a promoter | | | | | | | | | | | | | | | |
| 4.1 Shareholdings by Companies or Bodies Corporate whose Central / State Government is a promoter | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0.000% | |
| 5. Shareholdings by Promoters and Promoter Group/ Company | | | | | | | | | | | | | | | |
| 5.1 Shareholdings by Promoters and Promoter Group/ Company | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0.000% | |
| 6. Shareholdings by Individuals | | | | | | | | | | | | | | | |
| 6.1 Shareholdings by Individuals (including independent Directors and non-Independent Directors) | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0.000% | |
| 6.2 Non-Resident Indians | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0.000% | |
| 7. Shareholdings by Trusts other than Trusts which are promoters or promoter group/ company | | | | | | | | | | | | | | | |
| 7.1 Trusts other than promoters or promoter group/ company | 0 | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0.000% | 0 | 0 | 0 | 0 | 0.000% | |



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Table with multiple columns and rows, likely a financial or operational data table. Headers include various alphanumeric codes and numerical values.

Details of the shareholders holding shares in excess of 1% including their shareholding (No. and %)

Details of shares which remain unclaimed may be given here along with details such as number of shareholders, substantial shares held in demat/physical and suspense account, voting rights which are frozen etc.

Note

- (1) FOM would not be disclosed on website of Stock Exchange(s).
(2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (10) is not applicable in the above format.
(3) If more than one information pertaining to Depository Beneficiary, the same may be disclosed by the respective column in the extent information is available and the balance to be disclosed as held by custodian.
(4) Categorization and disclosure of each shareholder category should be carried out in the order specified in the above format. If a shareholder is falling under more than one category, then the same shall be classified in the category listed first in the order specified in the above format.
(5) Sub-categorization of shares under column no. (10) will be based on shareholding rights of share(s) under the following sub-categories.
(6) Shareholder who are represented by a nominee Director on the Board of the listed entity or from the right to nominate a representative(s). Director on the board of the listed entity.
(7) Shareholder who have entered into shareholder agreement with the listed entity.
(8) Shareholders voting as per record in concert with promoters.



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Sheela Foam Limited
Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities including | ing, as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form | |
|---|----------------------|---|-----------------------------------|--|------------------------|---|--|----------------|-------------|--|--|----------------------------|---------|--|---------|---|--------------------------------|
| | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held(b) | No. (a) | | As a % of total Shares held(b) |
| | | | | | | | Class eg. (i) | Class eg. (ii) | Total (iii) | | | | | | | | |
| 1 Custodian/DR Holder | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| 2 Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| Total Non-Promoter- Non Public Shareholding (C) = (C1)+(C2) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |

Note:
 (1) PAN would not be displayed on website of Stock Exchange(s).
 (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(XIII) is not applicable in the above format.
 (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.



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Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | |
|----|---|
| 1. | Name of Listed Entity: Sheela Foam Limited |
| 2. | Scrip Code/Name of Scrip/Class of Security: 540203 |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) |
| | a. If under 31(1)(b) then indicate the report for Quarter ending |
| | b. If under 31(1)(c) then indicate date of allotment/extinguishment |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- |

| | Particulars | Yes* | No* |
|---|--|------|-----|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.


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Sheela Foam Limited
Table 1 - Summary Statement holding of specified securities

| Category | Category of shareholder | No. of shares held | No. of fully paid up equity shares held | No. of Partly paid up equity shares held | No. of shares underlying Depository Receipts | Total nos. Shares held | Shareholding as a % of total no. of shares (calculated as per SCRA, 1957) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including Equity) | Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerial form |
|----------|-------------------------------|--------------------|---|--|--|------------------------|---|--|-------------------------|---------------|---|---|----------------------------|--------|--|---------------------------------|---|
| | | | | | | | | No. of Voting Rights | Total as a % of (A+B+C) | Class eg. 'X' | | | Class eg. 'Y' | Total | No. (a) | As a % of total Shares held (b) | |
| (A) | Preparer & Promoter Group | 4 | 21174174 | 0 | 0 | 21174174 | 95.1659 | 21174174 | 0 | 21174174 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 21174174 |
| (B) | Public | 40827 | 30045875 | 0 | 0 | 38045875 | 34.8341 | 38045875 | 0 | 38045875 | 0 | 34.8341 | 0 | 0.0000 | NA | NA | 38045875 |
| (C) | Non Promoter - Non Public | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (D) | Shares Underlying DRs | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (E) | Shares Held By Employee Trust | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| | Total | 40831 | 100220499 | 0 | 0 | 100220499 | 100.0000 | 100220499 | 0 | 100220499 | 0 | 100.0000 | 0 | 0.0000 | 0 | 0.0000 | 100220499 |



SHEELA FOAM LTD.
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Sheela Foam Limited
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholder | Entity Type | PAN | No. of shares held | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in demat/other form |
|--|-------------|------------|--------------------|---|-----------------------------------|--|------------------------|---|--|----------|----------|--|--|----------------------------|------------------------|--|---|--|
| | | | | | | | | | Class of | Class of | Class of | | | As a % of total shares | As a % of total shares | As a % of total shares | | |
| (A) Individuals / Hindu Undivided Family | | | | | | | | | | | | | | | | | | |
| Fachar Guram | Promoters | AABQ9914C | 1 | 3827354 | 0 | 0 | 3827354 | 59.318771 | 3827354 | 0 | 0 | 0 | 59.318771 | 0 | 0 | 0 | 0 | 3827354 |
| Rahul Guram | Promoters | AAUP12284 | 1 | 12418910 | 0 | 0 | 12418910 | 19.488903 | 12418910 | 0 | 0 | 0 | 19.488903 | 0 | 0 | 0 | 0 | 12418910 |
| (B) Central Government / State Government(s) | | | | | | | | | | | | | | | | | | |
| (C) Financial Institutions / Banks | | | | | | | | | | | | | | | | | | |
| (D) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| Sheela Corporate | Promoters | AABCA8061U | 1 | 13130818 | 0 | 0 | 13130818 | 20.400441 | 13130818 | 0 | 0 | 0 | 20.400441 | 0 | 0 | 0 | 0 | 13130818 |
| Sub Total (A+B) | | | 4 | 71174174 | 0 | 0 | 71174174 | 83.584506 | 71174174 | 0 | 0 | 0 | 83.584506 | 0 | 0 | 0 | 0 | 71174174 |
| (E) Individuals (Non-Resident Individuals / Foreign Nationals) | | | | | | | | | | | | | | | | | | |
| (F) Government | | | | | | | | | | | | | | | | | | |
| (G) Institutions | | | | | | | | | | | | | | | | | | |
| (H) Foreign Portfolio Investor | | | | | | | | | | | | | | | | | | |
| (I) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| Sub Total (E-I) | | | 0 | 0 | 0 | 0 | 0 | 0.000000 | 0 | 0 | 0 | 0.000000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Shareholding Of Promoter And Promoter Group (A+ B+E-I) | | | 4 | 71174174 | 0 | 0 | 71174174 | 83.584506 | 71174174 | 0 | 0 | 0 | 83.584506 | 0 | 0 | 0 | 0 | 71174174 |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note:
 (1) PAN would not be displayed on website of Stock Exchanges
 (2) The term "Encumbrance" has the same meaning as assigned under regulation 2B(3) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.



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| Sl. No. | Shareholder Name | No. of Shares | Face Value | Amount | Percentage | Category | Remarks | Shareholder Name | No. of Shares | Face Value | Amount | Percentage | Category | Remarks |
|---------|---|---------------|------------|----------|------------|----------|---------|------------------|---------------|------------|--------|------------|----------|---------|
| 10 | Investor Education and Protection Fund (IEPF) | 10 | 100 | 10000 | 0.00 | NA | | | | | | | | |
| 11 | Radwin International Holding Limited share | 66884 | 247000 | 16519232 | 3.00 | NA | | | | | | | | |
| 12 | Radwin International Holding Limited share | 1 | 100 | 10000 | 0.00 | NA | | | | | | | | |
| 13 | Radwin International Holding Limited share | 1 | 100 | 10000 | 0.00 | NA | | | | | | | | |
| 14 | Radwin International Holding Limited share | 1 | 100 | 10000 | 0.00 | NA | | | | | | | | |
| 15 | Radwin International Holding Limited share | 1 | 100 | 10000 | 0.00 | NA | | | | | | | | |
| 16 | Radwin International Holding Limited share | 1 | 100 | 10000 | 0.00 | NA | | | | | | | | |
| 17 | Radwin International Holding Limited share | 1 | 100 | 10000 | 0.00 | NA | | | | | | | | |
| 18 | Radwin International Holding Limited share | 1 | 100 | 10000 | 0.00 | NA | | | | | | | | |
| 19 | Radwin International Holding Limited share | 1 | 100 | 10000 | 0.00 | NA | | | | | | | | |
| 20 | Radwin International Holding Limited share | 1 | 100 | 10000 | 0.00 | NA | | | | | | | | |

Details of the shareholders acting as persons in control including their shareholding (No. and %):

| Sl. No. | Name of Shareholder | No. of Shares | % |
|---------|---------------------|---------------|---|
| 1 | | | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

| Sl. No. | Name of Shareholder | No. of Shares |
|---------|---------------------|---------------|
| 1 | | |

- Note:
- (1) PAN would not be displayed on website of Stock Exchange(s).
 - (2) The above figures may be disclosed along with the names of the shareholders holding 5% or more than 5% of shares of the listed entity, Column no (2)(iv) not applicable in the above format.
 - (3) If in the event of payment to Depository Receipts, the same may be disclosed in the order prescribed in the above format.
 - (4) Categorization and disclosure of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be classified in the category falling first in the order prescribed in the above format.
 - (5) If the representation of shares under column no (2)(v) will be based on shareholding, of shareholders the following sub-categories:
 - (6) Shareholder who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative(s). (i.e. Director on the board of the listed entity).
 - (7) Shareholder who have entered into shareholder agreement with the listed entity.
 - (8) Shareholders acting as persons in control with promoters.



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Sheela Foam Limited
Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | PAN | No. of shares held | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % (calculated as per SCRR, 1957 As a % of (A+B+C)) | Number of Voting Rights held in each class of securities | | | Shares Underlying & Outstanding convertible securities (including treasury shares) | ing. as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in demat/physical form | |
|---|------|--------------------|---|-----------------------------------|--|------------------------|---|--|-------------|-------|--|--|----------------------------|---------|--|---------|---|--------------------------------|
| | | | | | | | | No. of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total shares held(b) | No. (c) | | As a % of total shares held(d) |
| | | | | | | | | Class eq: X | Class eq: Y | Total | | | | | | | | |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) | (xi) | (xii) | (xiii) | (xiv) | (xv) | (xvi) | (xvii) | | |
| 1. Custodian/DR Holder Employee Benefit Trust / Employee Welfare Trust under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2012 | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| 2. Total Non-Promoter- Non Public Shareholding (C)-(C1)-(C2) | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |

Note:
 (1) PAN would not be displayed on website of Stock Exchange(s).
 (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of share of the listed entity. Column no (XIII) is not applicable in the above format.
 (3) Where the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.



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Kurl-on

Part


Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | |
|----|---|
| 1. | Name of Entity: Kurlon Enterprise Limited |
| 2. | Class of Security: Equity |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) |
| | a. If under 31(1)(b) then indicate the report for Quarter ending |
| | b. If under 31(1)(c) then indicate date of allotment/extinguishment |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- |

| | Particulars | Yes* | No* |
|---|--|------|-----|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.


Kurl-on Enterprise Ltd

Regd: No. 1002/1006, The Avenue, International Airport, Opp. Hotel Leela, Andheri (East), Mumbai - 400059. ☎ 022-28265686/88/89 (CIN: U36101MH2011PLC222657)
Corporate Office: Jai Bharat Industrial Area, Jalahalli, Camp Road, Muniswara Nagar, Yeswanthpur, Bangalore - 560 022. ☎ +91 8150000103 | www.kurlon.com



Kurlon Enterprise Limited- Post Scheme of Arrangement
Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculate as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including | ing, as a % assuming conversion of convertible securities | Number of Locked in shares | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form | | |
|----------|--------------------------------|----------------------|---|--|--|------------------------|--|--|-------------|-------------------------|---|---|----------------------------|--|---------------------------------|---|---------|---------------------------------|
| | | | | | | | | No. of Voting Rights | | Total as a % of (A+B+C) | | | | No. (a) | As a % of total Shares held (b) | | No. (a) | As a % of total Shares held (b) |
| | | | | | | | | Class eq. A | Class eq. y | | | | | | | | | |
| (A) | Promoter & Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (C) | Non Promoter - Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (C1) | Shares Underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (C2) | Shares Held By Employees Trust | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| | Total | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |

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Kurlon Enterprise Limited- Post Scheme of Arrangement
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholders | Entity Type | Nos. of sharehold-ers | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlyin g Depositor y Receipts | Total nos. shares held | Sharehold ing % calculated as per SCRR, 1957 As a % of (A+B+C+E) | Number of Voting Rights held in each class of securities | | | Shares Underlyin g Outstanding convertible securities (including securities) | ing, as a % assuming full convertib le securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in demat/d ebit form | |
|-------------------------------------|--|-----------------------|---|-----------------------------------|--|------------------------|--|--|-------------|-------|--|---|-------------------------------|---------|--|---------|---|--------------------------------|
| | | | | | | | | No of Voting Rights | Class eg: y | Total | | | As a % of Total Voting Rights | No. (a) | As a % of total shares held(b) | No. (c) | | As a % of total shares held(d) |
| | | | | | | | | | | | | | | | | | | |
| 1 | Indian | | | | | | | | | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | | | | | | | | | | | | | | | | | |
| (b) | Central Government / State Government(s) | | | | | | | | | | | | | | | | | |
| (c) | Financial Institutions / Banks | | | | | | | | | | | | | | | | | |
| (d) | Any Other (Specify) | | | | | | | | | | | | | | | | | |
| | Indian Corporate | | | | | | | | | | | | | | | | | |
| | Sub Total (A)(1) | | | | | | | | | | | | | | | | | |
| 2 | Foreign | | | | | | | | | | | | | | | | | |
| (a) | Individuals (Non Resident Individuals / Foreign Individuals) | | | | | | | | | | | | | | | | | |
| (b) | Government | | | | | | | | | | | | | | | | | |
| (c) | Institutions | | | | | | | | | | | | | | | | | |
| (d) | Foreign Portfolio Investor | | | | | | | | | | | | | | | | | |
| (e) | Any Other (Specify) | | | | | | | | | | | | | | | | | |
| | Sub Total (A)(2) | | | | | | | | | | | | | | | | | |
| | Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2) | | | | | | | | | | | | | | | | | |

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note :

- (1) PAN would not be displayed on website of Stock Exchange(s)
- (2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



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Kurlon Enterprise Limited- Post Scheme of Arrangement
Table III - Statement showing shareholding pattern of the Public shareholder

| Category & Name of the shareholders | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated #1 per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including securities) | ing, as a % assuming full conversion of convertible securities | Number of Locked In Shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form | Sub-categorization of shares | | |
|--|----------------------|---|-----------------------------------|--|------------------------|--|--|-------|-------------------------------------|---|--|----------------------------|---------------------------------|--|---------------------------------|---|------------------------------------|------------------|-------------------|
| | | | | | | | No of Voting Rights | | Total as a % of Total Voting Rights | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | | Shareholding (No. of shares) under | | |
| | | | | | | | Class eg: X/ Class eg: y | Total | | | | | | | | | As a % of total Shares held (b) | 300- category(i) | 300- category(ii) |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) = | (vii) As a % | (viii) | (ix) | (x) | (xi) | (xii) | (xiii) | (xiv) | (xv) | (xvi) | (xvii) | (xviii) | (xix) | |
| 1 Institutions (Domestic) | | | | | | | | | | | | | | | | | | | |
| (a) Mutual Fund | | | | | | | | | | | | | | | | | | | |
| (b) Venture Capital Funds | | | | | | | | | | | | | | | | | | | |
| (c) Alternate Investment Funds | | | | | | | | | | | | | | | | | | | |
| (d) Banks | | | | | | | | | | | | | | | | | | | |
| (e) Insurance Companies | | | | | | | | | | | | | | | | | | | |
| (f) Provident Funds/ Pension Funds | | | | | | | | | | | | | | | | | | | |
| (g) Asset Reconstruction Companies | | | | | | | | | | | | | | | | | | | |
| (h) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | | |
| (i) NBFCs registered with RBI | | | | | | | | | | | | | | | | | | | |
| (j) Other Financial Institutions | | | | | | | | | | | | | | | | | | | |
| (k) Any Other (Specify) | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(1) | | | | | | | | | | | | | | | | | | | |
| 2 Institutions (Foreign) | | | | | | | | | | | | | | | | | | | |
| (a) Foreign Direct Investment | | | | | | | | | | | | | | | | | | | |
| (b) Foreign Venture Capital Investors | | | | | | | | | | | | | | | | | | | |
| (c) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investors Category I | | | | | | | | | | | | | | | | | | | |
| (e) Foreign Portfolio Investors Category II | | | | | | | | | | | | | | | | | | | |
| (f) Overseas Depositories (including DRs) (balancing figure) | | | | | | | | | | | | | | | | | | | |
| (g) Any Other (Specify) | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(2) | | | | | | | | | | | | | | | | | | | |
| 3 Central Government/ State Government(s) | | | | | | | | | | | | | | | | | | | |
| (a) Central Government / Resident of India | | | | | | | | | | | | | | | | | | | |
| (b) State Government / Governor | | | | | | | | | | | | | | | | | | | |
| Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(3) | | | | | | | | | | | | | | | | | | | |
| 4 Non-Institutions | | | | | | | | | | | | | | | | | | | |
| (a) Associate companies / Subsidiaries | | | | | | | | | | | | | | | | | | | |
| (b) Directors and their relatives (excluding Independent Directors and nominee Directors) | | | | | | | | | | | | | | | | | | | |
| (c) Key Managerial Personnel | | | | | | | | | | | | | | | | | | | |
| Relatives of promoters (other than 'immediate relatives' of promoters disclosed under provisions of Companies Act, 2013) | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(4) | | | | | | | | | | | | | | | | | | | |



Kurlon Enterprise Ltd



| (f) Investor Education and Protection Fund (IEPF) | | | | | | | | | | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| (g) i. Resident individual holding nominal share capital up to Rs. 2 lakhs. | | | | | | | | | | | | | | | | | | | |
| (h) ii. Resident individual holding nominal share capital in excess of Rs. 2 lakhs. | | | | | | | | | | | | | | | | | | | |
| (i) Non Resident Indians (NRIs) | | | | | | | | | | | | | | | | | | | |
| (j) Foreign Nationals | | | | | | | | | | | | | | | | | | | |
| (k) Foreign Companies | | | | | | | | | | | | | | | | | | | |
| (l) Bodies Corporate | | | | | | | | | | | | | | | | | | | |
| (m) Any Other (Specify) | | | | | | | | | | | | | | | | | | | |
| Body Corp-Ltd Liability Partnership | | | | | | | | | | | | | | | | | | | |
| Hindu Undivided Family | | | | | | | | | | | | | | | | | | | |
| Clearing Member | | | | | | | | | | | | | | | | | | | |
| Sub Total (i)(e) | | | | | | | | | | | | | | | | | | | |
| Total Public Shareholding (B) | | | | | | | | | | | | | | | | | | | |
| (B)(i)-(B)(j)-(B)(k)-(B)(l)-(B)(m) | | | | | | | | | | | | | | | | | | | |

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

| No. of shareholders | No. of Shares |
|---------------------|---------------|
| 0 | 0 |

Details of Shares which remain undaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/undaimed suspense account, voting rights which are frozen etc:

| No. of shareholders | No. of Shares |
|---------------------|---------------|
| 0 | 0 |



Note :

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(iii) is not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.
- (4) Categorization and disclosure of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be classified in the
- (5) Sub-categorization of shares under column no.(XV) will be based on shareholding(no. of shares) under the following sub-categories:
 - (i) Shareholder who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative[i.e. Director] on the board of the listed entity.
 - (ii) Shareholder who have entered into shareholder agreement with the listed entity.
 - (iii) Shareholders acting as persons in concert with promoters.

Kurl-on Enterprise Ltd

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 Corporate Office: Jal Bharat Industrial Area, Jaiahalli, Camp Road, Muniswara Nagar, Yeswanthpur, Bangalore - 560 022. ☎+91 8150000103 | www.kurlon.com



Kurlon Enterprise Limited- Post Scheme of Arrangement

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including | ing, as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form |
|--|----------------------|---|-----------------------------------|--|------------------------|---|--|-------------------------|-------|---|--|----------------------------|--------------------------------|--|--------------------------------|---|
| | | | | | | | Class (a) | Total as a % of (A+B+C) | Total | | | No. (a) | As a % of total shares held(b) | No. (a) | As a % of total shares held(b) | |
| | | | | | | | | | | | | | | | | |
| 1. Custodian/DR Holder | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2017 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Non-Promoter- Non Public Shareholding (C) (C1+A+D1) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

Note :

[1] PAN would not be displayed on website of Stock Exchange(s).

[2] The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (XIII) is not applicable in the above format.

[3] W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

For Kurlon Enterprises Limited

 Authorized Signatory

Kurl-on Enterprise Ltd

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Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | |
|----|---|
| 1. | Name of Entity: Kurlon Enterprise Limited |
| 2. | Class of Security: Equity |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) |
| | a. If under 31(1)(b) then indicate the report for Quarter ending |
| | b. If under 31(1)(c) then indicate date of allotment/extinguishment |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- |

| | Particulars | Yes* | No* |
|---|--|------|-----|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.


Kurl-on Enterprise Ltd

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Kurl-on Enterprise Limited- Post Scheme of Arrangement
Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including securities) | ing, as a % assuming full conversion of convertible securities | Number of Locked In shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form | |
|----------|-------------------------------|----------------------|---|--|--|-----------------------------------|---|--|-------------|-------|---|--|----------------------------|---------|--|---------|---|--------------------------------|
| | | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held(b) | No. (a) | | As a % of total Shares held(b) |
| | | | | | | | | Class eg: X | Class eg: y | Total | | | | | | | | |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) = (iii) + (iv) + (v) + (vi) | (viii) As a % of (vii) | (ix) | (x) | (xi) | (xii) | (xiii) | (xiv) | (xv) | | | | |
| (A) | Promoter & Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C) | Non Promoter - Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C1) | Shares Underlying Dts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C2) | Shares Held by Employee Trust | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Total | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |

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Kurlon Enterprise Limited- Post-Scheme of Arrangement
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholders | Entry Type | PAN | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding Fully convertible securities (including convertible preference shares) | No. of Locked In Shares | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialised form | |
|-------------------------------------|--|-----|----------------------|---|-----------------------------------|--|------------------------|--|--|--------------------------|-------|--|-------------------------|--|---|--|
| | | | | | | | | | Total as a % of Total Voting Rights | | | | | | | |
| | | | | | | | | | Class | % of Total Voting Rights | Total | | | | | |
| 1 | Indian | | | | | | | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | | | | | | | | | | | | | | | |
| (b) | Central Government / State Government(s) | | | | | | | | | | | | | | | |
| (c) | Financial Institutions / Banks | | | | | | | | | | | | | | | |
| (d) | Any Other (Specify) | | | | | | | | | | | | | | | |
| (e) | Bodies Corporate | | | | | | | | | | | | | | | |
| (f) | Sub Total (A)(1) | | | | | | | | | | | | | | | |
| 2 | Foreign | | | | | | | | | | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | | | | | | | | | | | | | | | |
| (b) | Government | | | | | | | | | | | | | | | |
| (c) | Institutions | | | | | | | | | | | | | | | |
| (d) | Foreign Portfolio Investor | | | | | | | | | | | | | | | |
| (e) | Any Other (Specify) | | | | | | | | | | | | | | | |
| (f) | Sub Total (A)(2) | | | | | | | | | | | | | | | |
| (A)(1)+(A)(2) | Total Shareholding Of Promoter And Promoter Group (A) | | | | | | | | | | | | | | | |



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Kurlon Enterprise Limited- Post Scheme of Arrangement

Table III - Statement showing shareholding pattern of the Public shareholder

| Category & Name of the shareholders | PAN | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including convertible securities) | ing, as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialised form | Sub-categorization of shares | | |
|--|-----|----------------------|---|-----------------------------------|--|------------------------|--|--|-------------|-------|---|--|-------------------------------------|---------|--|---|---------------------------------|----------------------|-------------------|
| | | | | | | | | Class eg: X | Class eg: Y | Total | | | Total as a % of Total Voting Rights | No. (a) | | | As a % of total Shares held (b) | Shareholding No. (i) | Sub-category (ii) |
| 1 Institutions (Domestic) | | | | | | | | | | | | | | | | | | | |
| (a) Mutual Fund | | | | | | | | | | | | | | | | | | | |
| (b) Venture Capital Funds | | | | | | | | | | | | | | | | | | | |
| (c) Alternate Investment Funds | | | | | | | | | | | | | | | | | | | |
| (d) Banks | | | | | | | | | | | | | | | | | | | |
| (e) Insurance Companies | | | | | | | | | | | | | | | | | | | |
| (f) Provident Funds/ Pension Funds | | | | | | | | | | | | | | | | | | | |
| (g) Asset Reconstruction Companies | | | | | | | | | | | | | | | | | | | |
| (h) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | | |
| (i) NBFCs registered with RBI | | | | | | | | | | | | | | | | | | | |
| (j) Other financial institutions | | | | | | | | | | | | | | | | | | | |
| (k) Any Other (Specify) | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(1) | | | | | | | | | | | | | | | | | | | |
| 2 Institutions (Foreign) | | | | | | | | | | | | | | | | | | | |
| (a) Foreign Direct Investment | | | | | | | | | | | | | | | | | | | |
| (b) Foreign Venture Capital Investors | | | | | | | | | | | | | | | | | | | |
| (c) Sovereign Wealth Fund | | | | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investors Category I | | | | | | | | | | | | | | | | | | | |
| (e) Foreign Portfolio Investors Category II | | | | | | | | | | | | | | | | | | | |
| (f) Overseas Depositories (holding DRs) (balancing figure) | | | | | | | | | | | | | | | | | | | |
| (g) Any Other (Specify) | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(2) | | | | | | | | | | | | | | | | | | | |
| 3 Central Government/ State Government(s) | | | | | | | | | | | | | | | | | | | |
| (a) Central Government / President of India | | | | | | | | | | | | | | | | | | | |
| (b) State Government / Governor | | | | | | | | | | | | | | | | | | | |
| Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(3) | | | | | | | | | | | | | | | | | | | |
| 4 Non-Institutions | | | | | | | | | | | | | | | | | | | |
| (a) Associate companies / Subsidiaries | | | | | | | | | | | | | | | | | | | |
| (b) Directors and their relatives (excluding Independent Directors and nominee Directors) | | | | | | | | | | | | | | | | | | | |
| (c) Key Managerial Personnel | | | | | | | | | | | | | | | | | | | |
| (d) Relatives of promoters (other than 'immediate relatives' of promoters disclosed under Promoter and Promoter Group' category) | | | | | | | | | | | | | | | | | | | |
| Trusts where any person belonging to Promoter and Promoter Group' category is a beneficiary | | | | | | | | | | | | | | | | | | | |



Kurlon Enterprise Ltd

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| SHAREHOLDERS LIST | | | | | | | | | | | | |
|-------------------|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| (f) | investor Education and Protection Fund (IEPF) | (g) | (h) | (i) | (j) | (k) | (l) | (m) | (n) | (o) | (p) | (q) |
| | I. Resident Individual holding nominal share capital up to Rs. 2 lakhs. | | | | | | | | | | | |
| | II. Resident Individual holding nominal share capital in excess of Rs. 2 lakhs. | | | | | | | | | | | |
| | Non Resident Indians (NRI) | | | | | | | | | | | |
| | Foreign Nationals | | | | | | | | | | | |
| | Foreign Companies | | | | | | | | | | | |
| | Bodies Corporate | | | | | | | | | | | |
| | Any Other (Specify) | | | | | | | | | | | |
| | Body Corp-Ltd Liability Partnership | | | | | | | | | | | |
| | Hindu Undivided Family | | | | | | | | | | | |
| | Clearing Member | | | | | | | | | | | |
| | Sub Total (B)(4) | | | | | | | | | | | |
| | Total Public Shareholding (B) | | | | | | | | | | | |
| | (B)(1)+(B)(2)+(B)(3)+(B)(4) | | | | | | | | | | | |

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

| No. of shareholders | No. of Shares | % |
|---------------------|---------------|---|
| 0 | | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

| No. of shareholders | No. of Shares |
|---------------------|---------------|
| 0 | 0 |

Note:

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(XIII)'s not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.
- (4) Categorization and disclosure of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be classified in the category falling first.
- (5) Sub-categorization of shares under column no.(XV) will be based on shareholding (no. of shares) under the following sub-categories:
 - (i) Shareholder who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative (i.e. Director) on the board of the listed entity.
 - (ii) Shareholder who have entered into shareholder agreement with the listed entity.
 - (iii) Shareholders acting as persons in concert with promoters.



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Kurlon Enterprise Limited- Post Scheme of Arrangement

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | PAM | No. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including convertible securities) | Fig. as a % assuming full conversion of convertible securities | Number of Locked In shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form |
|--|------|---------------------|---|-----------------------------------|--|------------------------|--|--|-------------|-------|---|--|----------------------------|--------------------------------|--|--------------------------------|---|
| | | | | | | | | No of Voting Rights | | | | | No. (a) | As a % of total Shares held(b) | No. (a) | As a % of total Shares held(b) | |
| | | | | | | | | Class eg: X | Class eg: y | Total | | | | | | | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) As a % of (A+B+C) | (IX) | (X) | (XI) | (XII) | (XIII) | (XIV) | (XV) | | | |
| 1 Custodian/DR Holder Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 Total Non-Promoter- Non Public Shareholding (C1)+(C1)+(C2) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

For Kurlon Enterprise Limited

[Signature]
Authorized Signatory

Kurl-on Enterprise Ltd

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Pre-issuance

Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | |
|----|---|
| 1. | Name of Entity: Kurlon Enterprise Limited |
| 2. | Class of Security: Equity |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) |
| | a. If under 31(1)(b) then indicate the report for Quarter ending |
| | b. If under 31(1)(c) then indicate date of allotment/extinguishment |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- |

| | Particulars | Yes* | No* |
|---|--|------|-----|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.


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Kurlon Enterprise Limited- Pre Scheme of Arrangement
Table 1 - Summary Statement holding of specified securities

| Category | Category of shareholder | No. of shareholders | No. of fully paid-up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total no. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities | No. of convertible securities | No. of Locked in shares | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialized form | | | |
|----------|-------------------------------|---------------------|---|--|--|-----------------------|---|--|-------------|----------|--|-------------------------------|-------------------------|--|---|-------------------------|-------------------------------|-------------------------------|
| | | | | | | | | No of Voting Rights | | | | | | | | Total as a % of (A+B+C) | As a % of total (Shares held) | As a % of total (Shares held) |
| | | | | | | | | Class eg: K | Class eg: Y | Total | | | | | | | | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) As a % | (IX) | (X) | (XI) | (XII) | (XIII) | (XIV) | | | | | |
| (A) | Promoter & Promoter Group | 1 | 3,55,45,351 | - | - | 3,55,45,351 | 97.2500 | 35545351 | - | - | 97.2500 | - | - | 35545351 | | | | |
| (B) | Public | 1793 | 3068310 | - | - | 3068310 | 7.7500 | 3068310 | - | - | 7.7500 | - | - | 3068310 | | | | |
| (C) | Non Promoter - Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | |
| (C1) | Shares Underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | |
| (C2) | Shares Held By Employee Trust | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | |
| | Total | 1793 | 36512261 | - | - | 36512261 | 100.0000 | 36512261 | - | - | 100.0000 | - | - | 36512261 | | | | |

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Kurlon Enterprise Limited- Pre Scheme of Arrangement
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholders | Entity Type | No. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | | | Number of Voting Rights | | | Total as a % of Total Voting Rights | Share Underlying Outstanding Debt convertible into equity securities | Number of Locked In shares | Number of shares pledged or otherwise encumbered | Number of shares held in dematerialized form | |
|--|-------------|---------------------|---|-----------------------------------|--|------------------------|---|-------------|-------------|-------------------------|-------|------|-------------------------------------|--|----------------------------|--|--|--|
| | | | | | | | As a % of Total | Class eq. A | Class eq. B | Class eq. C | Total | | | | | | | |
| 1 Indian | | (1) | (10) | (7) | (0) | (17) | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 0 | 0 | 0 | 100% | |
| (a) Individual / Hindu Undivided Family | | | | | | | | | | | | | | | | | | |
| (b) Central Government / State Government(s) | | | | | | | | | | | | | | | | | | |
| (c) Financial Institutions / Banks | | | | | | | | | | | | | | | | | | |
| (d) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| 2 Foreign | | | | | | | | | | | | | | | | | | |
| (a) Individuals (Non Resident Individuals / Foreign Individuals) | | | | | | | | | | | | | | | | | | |
| (b) Government | | | | | | | | | | | | | | | | | | |
| (c) Institutions | | | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investor | | | | | | | | | | | | | | | | | | |
| (e) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| Total (A+B+C) | | | | | | | | | | | | | | | | | | |
| Total Shareholding of Promoter And Promoter Group (A1+A2) | | | | | | | | | | | | | | | | | | |

Details of Shares which remain undelivered may be given here along with details such as number of shareholders, outstanding shares held in demat/uncleared suspense account, voting rights which are frozen etc.

Note :
(1) PAN would not be displayed on website of Stock Exchange(s)
(2) The term 'Securities' has the same meaning as assigned under regulation 2B(3) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.



Kurlon Enterprise Ltd

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Kurlon Enterprise Limited- Pre Scheme of Arrangement

Table III - Statement showing shareholding pattern of the Public shareholder

| Category & Name of the shareholders | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | Shares Underlying & Outstanding (u) % convertible securities (including securities) | In & as a % assuming conversion of convertible securities | Number of Locked In shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form | Sub-categorization of shares | | | |
|--|----------------------|---|-----------------------------------|--|------------------------|---|--|-------------|-------|---|---|-------------------------------------|---------|--|---------|---|--------------------------------|-------------------------------------|-------------------|--------------------|
| | | | | | | | No of Voting Rights | | | | | Total as a % of Total Voting Rights | No. (a) | As a % of total Shares held(b) | No. (a) | | As a % of total Shares held(b) | Shareholding under sub-category (i) | sub-category (ii) | sub-category (iii) |
| | | | | | | | Class eq. X | Class eq. y | Total | | | | | | | | | | | |
| (I) | (II) | (III) | (IV) | (V) | (VI) = (V) As a | (VII) As a | (VIII) | (IX) | (X) | (XI) | (XII) | (XIII) | (XIV) | (XV) | (XVI) | (XVII) | (XVIII) | | | |
| 1 Institutions (Domestic) | | | | | | | | | | | | | | | | | | | | |
| (a) Mutual Fund | | | | | | | | | | | | | | | | | | | | |
| (b) Venture Capital Funds | | | | | | | | | | | | | | | | | | | | |
| (c) Alternative Investment Funds | | | | | | | | | | | | | | | | | | | | |
| (d) Banks | | | | | | | | | | | | | | | | | | | | |
| (e) Insurance Companies | | | | | | | | | | | | | | | | | | | | |
| (f) Provident Funds/ Pension Funds | | | | | | | | | | | | | | | | | | | | |
| (g) Asset Reconstruction Companies | | | | | | | | | | | | | | | | | | | | |
| (h) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | | | |
| (i) NBFCs registered with RBI | 1 | 134 | | | 134 | 0.0004 | 134 | 0 | 134 | 0.0004 | 0 | 0.0004 | 0 | 0 | 0 | 0 | 1 | 134 | | |
| (j) Other Financial Institutions | | | | | | | | | | | | | | | | | | | | |
| (k) Any Other (Specify) | | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(1) | 1 | 134 | 0 | 0 | 134 | 0.0004 | 134 | 0 | 134 | 0.0004 | 0 | 0.0004 | 0 | 0 | 0 | 0 | 1 | 134 | | |
| 2 Institutions (Foreign) | | | | | | | | | | | | | | | | | | | | |
| (a) Foreign Direct Investment | | | | | | | | | | | | | | | | | | | | |
| (b) Foreign Venture Capital Investors | | | | | | | | | | | | | | | | | | | | |
| (c) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investors Category I | | | | | | | | | | | | | | | | | | | | |
| (e) Foreign Portfolio Investors Category II | | | | | | | | | | | | | | | | | | | | |
| (f) Overseas Depositories (holding DRs) (balancing figure) | | | | | | | | | | | | | | | | | | | | |
| (g) Any Other (Specify) | | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(2) | | | | | | | | | | | | | | | | | | | | |
| 3 Central Government/ State Governmental | | | | | | | | | | | | | | | | | | | | |
| (a) Central Government / President of India | | | | | | | | | | | | | | | | | | | | |
| (b) State Government / Governor | | | | | | | | | | | | | | | | | | | | |
| Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter | | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(3) | | | | | | | | | | | | | | | | | | | | |
| 4 Non-Institutions | | | | | | | | | | | | | | | | | | | | |
| (a) Associate companies / Subsidiaries | | | | | | | | | | | | | | | | | | | | |
| (b) Directors and their relatives (excluding Independent Directors and nominee Directors) | | | | | | | | | | | | | | | | | | | | |
| (c) Key Managerial Personnel | | | | | | | | | | | | | | | | | | | | |
| (d) Relatives of promoters (other than 'immediate relatives' of promoters classified under 'Promoter and Promoter Group' category) | | | | | | | | | | | | | | | | | | | | |
| (e) Trusts where any person belonging to 'Promoter and Promoter Group' category is | | | | | | | | | | | | | | | | | | | | |
| (f) Trustee, beneficiary, or author of the trust | | | | | | | | | | | | | | | | | | | | |

Kurl-on Enterprise Ltd



Kurlon Enterprise Limited- Pre Scheme of Arrangement
Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | Nos. of sharehold-ers | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlyin- g Depositor y Receipts | Total nos. shares held (VII) = (I)+(II)+(III)+(IV) | Sharehold- ing % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | Shares underlyin- g and outstanding securities (including convertible securities) | Fig., as a % assuming full conversion of convertible securities (IX) = (X)/(VII) * 100 | Number of Locked In Shares | | | Number of Shares pledged or otherwise encumbered | Number of equity shares held in demateriali- zed form (XIII) | | |
|--|-----------------------|---|-----------------------------------|---|--|---|--|-------|--------|---|--|----------------------------|---------|---------------------------------|--|--|---------|---------------------------------|
| | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of Total Shares held (b) | | | No. (a) | As a % of total Shares held (b) |
| | | | | | | | Class of securities | Total | (VIII) | | | | | | | | | |
| 1. Custodian/DH Holder | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee benefits and Sweat Equity) Regulation, 2021 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| Total Non-Promoter- Non Public Shareholding (C) + (C1)+(C2)+(C3) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |

Note:
 [1] PAN would not be displayed on website of Stock Exchange[s].
 [2] The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (XIII) is not applicable in the above format.
 [3] W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

For Kurlon Enterprise Limited

 Anubhav
 Secretary

Kurl-on Enterprise Ltd

Regd: No. 1002/1006, The Avenue, International Airport, Opp. Hotel Leela, Andheri (East), Mumbai - 400059. ☎ 022-28265686/88/89 (CIN: U36101MH2011PLC222657)
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Kurl-on

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60
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Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | |
|----|---|
| 1. | Name of Entity: Kurlon Enterprise Limited |
| 2. | Class of Security: Equity |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) |
| | a. If under 31(1)(b) then Indicate the report for Quarter ending |
| | b. If under 31(1)(c) then indicate date of allotment/extinguishment |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- |

| | Particulars | Yes* | No* |
|---|--|------|-----|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has Issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.



Kurlon Enterprise Ltd

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Corporate Office: Jal Bharat Industrial Area, Jalahalli, Camp Road, Muniswara Nagar, Yeswanthpur, Bangalore - 560 022. ☎ +91 8150000103 | www.kurlon.com



Kurlon Enterprise Limited- Pre Scheme of Arrangement
Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | Nos. of shareholders | No. of fully paid-up equity shares held | No. of Fully paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (Calculate as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including) | ing, as a % assuming full conversion of convertible securities | Number of Locked in Shares | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form |
|----------|-------------------------------|----------------------|---|---|--|------------------------|--|--|-------------|-------|--|--|----------------------------|--|-----------------------------|---|
| | | | | | | | | Class eg. X | Class eg. Y | Total | | | | As a % of Total (A+B+C) | As a % of total Shares held | |
| (A) | Promoter & Promoter Group | 1 | 2,55,45,951 | | | 2,55,45,951 | 97.2509 | 354,991 | - | - | 87,2500 | 97.2500 | - | - | - | 254,991 |
| (B) | Public | 1752 | 100,000 | | | 100,000 | 2.7500 | 100,000 | - | - | 2,7500 | 2.7500 | - | - | - | 100,000 |
| (C) | Non Promoter - Non Public | | | | | | | | | | | | | | | |
| (C1) | Shares Underlying Opa | | | | | | | | | | | | | | | |
| (C2) | Shares Held By Employee Trust | | | | | | | | | | | | | | | |
| | Total | 1753 | 355,2281 | | | 355,2281 | 100.0000 | 355,2281 | | | 100,0000 | 100.0000 | | | | 355,2281 |



Kurlon Enterprise Ltd

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Kurlon Enterprise Limited- Pre Scheme of Arrangement
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholder | Folio Type | PAN | No. of shares held | No. of fully paid up equity shares held | Purity of shares held | No. of shares held by Depository | Total nos. shares held | Number of Voting Rights held in each class of shares | | | Shareholding % (including Depository) | No. of Locked in shares | Number of shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form | |
|--|------------|-----|--------------------|---|-----------------------|----------------------------------|------------------------|--|-----------------|-------|---------------------------------------|-------------------------|--|------------------------|---|------------------------|
| | | | | | | | | Class of Shares | Class of Shares | Total | | | As a % of Total Shares | As a % of Total Shares | | As a % of Total Shares |
| 1 Indian | | | | | | | | | | | | | | | | |
| (a) Individuals / Hindu Undivided Family | | | | | | | | | | | | | | | | |
| (b) Central Government / State Government(s) | | | | | | | | | | | | | | | | |
| (c) Financial Institutions / Banks | | | | | | | | | | | | | | | | |
| (d) Foreign Entities | | | | | | | | | | | | | | | | |
| (e) Mutual Funds | | | | | | | | | | | | | | | | |
| (f) Insurance Companies | | | | | | | | | | | | | | | | |
| (g) Other Entities | | | | | | | | | | | | | | | | |
| (h) Total (a-g) | | | | | | | | | | | | | | | | |
| 2 Foreign | | | | | | | | | | | | | | | | |
| (a) Individuals (Non-Resident Individuals / Foreign Individuals) | | | | | | | | | | | | | | | | |
| (b) Government | | | | | | | | | | | | | | | | |
| (c) Institutions | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investor | | | | | | | | | | | | | | | | |
| (e) Any Other (Specified) | | | | | | | | | | | | | | | | |
| (f) Total (a-e) | | | | | | | | | | | | | | | | |
| Total Shareholding of Promoter And Promoter Group (1a-f) | | | | | | | | | | | | | | | | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/functal and suspense account, voting rights which are frozen etc.

Note:

(1) PAN would not be displayed on website of Stock Exchanges.

(2) The term "Encumbrance" has the same meaning as assigned under regulation 26(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



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Kurlon Enterprise Limited - Pre-Scheme of Arrangement

Table III - Statement showing shareholding pattern of the Public shareholder

| Category & Name of the shareholders | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including securities) | ing, as a % assuming full conversion of convertible securities | Number of Locked In Shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form | Sub-categorization of shares | | | |
|--|----------------------|---|-----------------------------------|--|------------------------|---|--|-------------|-------------------------------------|---|--|----------------------------|---------------------------------|--|---------------------------------|---|------------------------------------|------------------|-------------------|-------|
| | | | | | | | No of Voting Rights | | Total as a % of Total Voting Rights | | | No. (a) | As a % of total Shares held (b) | No. (c) | As a % of total Shares held (d) | | Shareholding (No. of shares) under | Sub-category (i) | Sub-category (ii) | |
| | | | | | | | Class eg: X | Class eg: Y | | | | | | | | | | | | Total |
| 1 | | | | | | | | | | | | | | | | | | | | |
| (i) Institutions (Domestic) | | | | | | | | | | | | | | | | | | | | |
| (a) Mutual Funds | | | | | | | | | | | | | | | | | | | | |
| (b) Venture Capital Funds | | | | | | | | | | | | | | | | | | | | |
| (c) Alternate Investment Funds | | | | | | | | | | | | | | | | | | | | |
| (d) Banks | | | | | | | | | | | | | | | | | | | | |
| (e) Insurance Companies | | | | | | | | | | | | | | | | | | | | |
| (f) Provident Funds/ Pension Funds | | | | | | | | | | | | | | | | | | | | |
| (g) Asset Reconstruction Companies | | | | | | | | | | | | | | | | | | | | |
| (h) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | | | |
| (i) NBFCs registered with RBI | 1 | 134 | | | 134 | 0.0004 | 134 | | 134 | 0.0004 | 0.0004 | - | - | | 0 | | | | | 134 |
| (ii) Other Financial Institutions | | | | | | | | | | | | | | | | | | | | |
| (iv) Any Other (Specify) | | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(1) | 1 | 134 | 0 | 0 | 134 | 0.0004 | 134 | 0 | 134 | 0.0004 | 0 | 0.0004 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 134 |
| 2 | | | | | | | | | | | | | | | | | | | | |
| (a) Institutions (Foreign) | | | | | | | | | | | | | | | | | | | | |
| (a) Foreign Direct Investment | | | | | | | | | | | | | | | | | | | | |
| (b) Foreign Venture Capital Investors | | | | | | | | | | | | | | | | | | | | |
| (c) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investors Category I | | | | | | | | | | | | | | | | | | | | |
| (e) Foreign Portfolio Investors Category II | | | | | | | | | | | | | | | | | | | | |
| (f) Overseas Depositories (holding DRs) (balancing figure) | | | | | | | | | | | | | | | | | | | | |
| (iv) Any Other (Specify) | | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(2) | | | | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | | | |
| Central Government/ State Governmental | | | | | | | | | | | | | | | | | | | | |
| (a) Central Government / President of India | | | | | | | | | | | | | | | | | | | | |
| (b) State Government / Governor | | | | | | | | | | | | | | | | | | | | |
| Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter | | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(3) | | | | | | | | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | | | | | | | | |
| Non-Institutions | | | | | | | | | | | | | | | | | | | | |
| (a) Associate companies / Subsidiaries | | | | | | | | | | | | | | | | | | | | |
| (b) Directors and their relatives (excluding Independent Directors and nominee Directors) | | | | | | | | | | | | | | | | | | | | |
| (c) Key Managerial Personnel | | | | | | | | | | | | | | | | | | | | |
| (d) Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category) | | | | | | | | | | | | | | | | | | | | |
| (e) Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trusts' | | | | | | | | | | | | | | | | | | | | |



Kurlon Enterprise Ltd

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Corporate Office: Jal Bharat Industrial Area, Jalahalli, Camp Road, Muniswara Nagar, Yeswanthpur, Bangalore - 560 022. ☎ +91 8150000103 | www.kurlon.com

Kurlon Enterprise Limited- Pre Scheme of Arrangement
Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including) | ing, as a % assuming full conversion of convertible securities | Number of Locked In shares | | Number of Shares pledged to otherwise encumbered | | Number of equity shares held in dematerialized form | |
|---|----------------------|---|-----------------------------------|--|------------------------|---|--|-------------|-------|--|--|----------------------------|---------|--|---------|---|--------------------------------|
| | | | | | | | Class eg: X | Class eg: Y | Total | | | As a % of (A+B+C) | No. (a) | As a % of total Shares held(b) | No. (a) | | As a % of total Shares held(b) |
| | | | | | | | | | | | | | | | | | |
| 1 Custodian/DR Holder | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| 2 Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2017 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| Total Non-Promoter- Non Public Shareholding (C) = (C1)+(C2) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |

Note :
 (1) PAN would not be displayed on website of Stock Exchange(s).
 (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(XIII) is not applicable in the above format.
 (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

For Kurlon Enterprise Limited

 Authorized Signatory

Kurl-on Enterprise Ltd

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KURLON RETAIL LIMITED

Registered Office : N-301, 3rd Floor, North Block, Manipal Centre, 47, Dickenson Road, Bengaluru - 560 042. Karnataka, India. Phone: 080 40313150 CIN No - U36104KA2012PLC065664 URL : www.kurlon.com

| Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 | | | |
|--|---|--|-----|
| 1. | Name of Entity: Kurlon Retail Limited | | |
| 2. | Class of Security: Equity | | |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) | | |
| | a. | If under 31(1)(b) then indicate the report for Quarter ending | |
| | b. | If under 31(1)(c) then indicate date of allotment/extinguishment | |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- | | |
| | Particulars | Yes* | No* |
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |
| <p>* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.</p> | | | |



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Kurlon Retail Limited- Post Scheme of Arrangement
Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | No. of sharehold-ers | No. of fully paid-up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlyin- g Depositor y Receipts | Total nos. shares held | Sharehold- ing as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlyin- g Outstanding convertible securities (including convertible securities) | No. of Shares Underlyin- g, as a % assuming full conversion of convertible securities | Number of Locked in shares | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialized form |
|----------|-------------------------------|----------------------|---|--|---|------------------------|---|--|-------------|-------------------------|--|---|----------------------------|--|---|
| | | | | | | | | No of Voting Rights | | Total as a % of (A+B+C) | | | | | |
| | | | | | | | | Class sp. A | Class sp. B | | | | | | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (IX) | (X) | (XI) | (XII) | (XIII) | (XIV) | (XV) | |
| (A) | Promoter & Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C) | Non Promoter - Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C1) | Shares Underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C2) | Shares Held by Employee Trust | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total | - | - | - | - | - | - | - | - | - | - | - | - | - | - |



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Kurlon Retail Limited- Post Scheme of Arrangement
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholders | Entity Type | No. of shares held | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. of shares held | Shareholding % calculated as per SEBI, 1957 As a % of (4+5+6+7) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying & Outstanding | No. of % assuming Full conversion of convertible securities | Number of Locked In Shares | Number of Shares pledged or otherwise encumbered | Number of equity shares held in demat/physical form | |
|---|-------------|--------------------|---|-----------------------------------|--|---------------------------|---|--|-------------|-------|--|---|----------------------------|--|---|-------------------------------------|
| | | | | | | | | No of Voting Rights | | | | | | | | Total as a % of Total Voting Rights |
| | | | | | | | | Class eg. A | Class eg. B | Total | | | | | | |
| 1 Indian | | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) | (17) | (18) | (19) | (20) | | |
| (a) Individuals / Hindu Undivided Family | | | | | | | | | | | | | | | | |
| (b) Central Government / State Government(s) | | | | | | | | | | | | | | | | |
| (c) Financial Institutions / Banks | | | | | | | | | | | | | | | | |
| (d) Any Other (Specify) | | | | | | | | | | | | | | | | |
| 2 Non-Resident | | | | | | | | | | | | | | | | |
| (a) Foreign Corporate | | | | | | | | | | | | | | | | |
| (b) Foreign Enterprise Limited | | | | | | | | | | | | | | | | |
| (c) Sub Total (A+B) | | | | | | | | | | | | | | | | |
| 3 Foreign | | | | | | | | | | | | | | | | |
| (a) Individual (Non-Resident individuals / Foreign Individuals) | | | | | | | | | | | | | | | | |
| (b) Government | | | | | | | | | | | | | | | | |
| (c) Institutions | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investor | | | | | | | | | | | | | | | | |
| (e) Any Other (Specify) | | | | | | | | | | | | | | | | |
| (f) Sub Total (A-E) | | | | | | | | | | | | | | | | |
| Total Shareholding of Promoter and Promoter Group (A+F) | | | | | | | | | | | | | | | | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note :
 (1) PAN would not be displayed on website of Stock Exchange(s)
 (2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



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Kurlon Retail Limited- Post Scheme of Arrangement

| Category & Name of the shareholders | No. of shareholders | No. of fully paid up equity shares held | Partly paid up equity shares held | No. of shares underlying Depository Receipts held | Total nos. shares | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class | | | No. of Shares Underlying Outstanding convertible securities (including | Shareholding, as a % assuming full conversion of convertible securities | Number of Locked In shares | | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialized form | Sub-categorization of shares | | | | | |
|---|---------------------|---|-----------------------------------|---|-------------------|---|--|--------------|-------|--|---|-------------------------------------|---------|--|---|---------------------------------|---------|---------------------------------|--------------------|------------------|-------------------|
| | | | | | | | No. of Voting Rights | | | | | Total as a % of Total Voting Rights | No. (a) | | | As a % of total Shares held (b) | No. (c) | As a % of total Shares held (d) | Shareholding under | No. of shares | |
| | | | | | | | Class: eg. X | Class: eg. Y | Total | | | | | | | | | | | Sub-category (i) | Sub-category (ii) |
| 1 Institutions (Domestic) | | | | | | | | | | | | | | | | | | | | | |
| (a) Mutual Fund | | | | | | | | | | | | | | | | | | | | | |
| (b) Venture Capital Funds | | | | | | | | | | | | | | | | | | | | | |
| (c) Alternate Investment Funds | | | | | | | | | | | | | | | | | | | | | |
| (d) Banks | | | | | | | | | | | | | | | | | | | | | |
| (e) Insurance Companies | | | | | | | | | | | | | | | | | | | | | |
| (f) Provident Funds/ Pension Funds | | | | | | | | | | | | | | | | | | | | | |
| (g) Asset Reconstruction Companies | | | | | | | | | | | | | | | | | | | | | |
| (h) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | | | | |
| (i) NBFCs registered with RBI | | | | | | | | | | | | | | | | | | | | | |
| (j) Other financial institutions | | | | | | | | | | | | | | | | | | | | | |
| (k) Any Other (Specify) | | | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(1) | | | | | | | | | | | | | | | | | | | | | |
| 2 Institutions (Foreign) | | | | | | | | | | | | | | | | | | | | | |
| (a) Foreign Direct Investment | | | | | | | | | | | | | | | | | | | | | |
| (b) Foreign Venture Capital Investors | | | | | | | | | | | | | | | | | | | | | |
| (c) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investors Category I | | | | | | | | | | | | | | | | | | | | | |
| (e) Foreign Portfolio Investors Category II | | | | | | | | | | | | | | | | | | | | | |
| (f) Overseas Depositories (holding DRs) (sustaining figure) | | | | | | | | | | | | | | | | | | | | | |
| (g) Any Other (Specify) | | | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(2) | | | | | | | | | | | | | | | | | | | | | |
| 3 Central Government/ State Government(s) | | | | | | | | | | | | | | | | | | | | | |
| (a) Central Government / President of India | | | | | | | | | | | | | | | | | | | | | |
| (b) State Government / Governor | | | | | | | | | | | | | | | | | | | | | |
| (c) Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter | | | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(3) | | | | | | | | | | | | | | | | | | | | | |
| 4 Non-Institutions | | | | | | | | | | | | | | | | | | | | | |
| (a) Associate companies / Subsidiaries | | | | | | | | | | | | | | | | | | | | | |
| (b) Directors and their relatives (excluding Independent Directors and non-executive Directors) | | | | | | | | | | | | | | | | | | | | | |
| (c) Key Managerial Personnel | | | | | | | | | | | | | | | | | | | | | |
| (d) Relations of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category) Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust' | | | | | | | | | | | | | | | | | | | | | |
| (e) Investor Education and Protection Fund (IEPF) | | | | | | | | | | | | | | | | | | | | | |
| (f) Resident individual holding nominal share capital up to Rs. 2 lakhs. | | | | | | | | | | | | | | | | | | | | | |
| (g) Resident individual holding nominal share capital in excess of Rs. 2 lakhs. | | | | | | | | | | | | | | | | | | | | | |
| (h) Non Resident Indians (NRIs) | | | | | | | | | | | | | | | | | | | | | |
| (i) Foreign Nationals | | | | | | | | | | | | | | | | | | | | | |



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Kurlon Retail Limited- Post Scheme of Arrangement

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

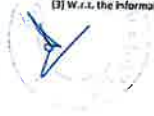
| Category & Name of the shareholders | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts held | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities (including securities convertible into convertible securities) | Shareholding, as a % assuming full conversion of convertible securities | Number of Locked In shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form |
|--|----------------------|---|-----------------------------------|---|------------------------|--|--|-------------|-------------------------|--|---|----------------------------|---------------------------------|--|---------------------------------|---|
| | | | | | | | Class no. X | Class no. Y | Total as a % of (A+B+C) | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | |
| | | | | | | | | | | | | | | | | |
| (I) | (II) | (III) | (IV) | (V) | (III)+(IV)+(V) | (VI) | (VII) | (VIII) | (IX) | (X) | (XI) | (XII) | (XIII) | (XIV) | (XV) | |
| 1. Custodian/DRT Holder | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Employee Benefit Trust / Employee Welfare Trust under SEB (Share based Employee Benefits and Sweat Equity) Regulations, 2001 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. Total Non-Promoter- Non Public Shareholding (C)= (C1)+(C2) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

Note :

[1] PAN would not be displayed on website of Stock Exchange(s).

[2] The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(XIII) is not applicable in the above format.

[3] W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.



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| Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 | | | |
|--|---|--|-----|
| 1. | Name of Entity: Kurlon Retail Limited | | |
| 2. | Class of Security: Equity | | |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) | | |
| | a. | If under 31(1)(b) then indicate the report for Quarter ending | |
| | b. | If under 31(1)(c) then indicate date of allotment/extinguishment | |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- | | |
| | Particulars | Yes* | No* |
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |
| <p>* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.</p> | | | |



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Kurlon Retail Limited- Post Scheme of Arrangement
Table 1 - Summary Statement holding of specified securities

| Category | Category of shareholder | Nos. of sharehold-ers | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Sharehold- ing as a % of total no. of shares (Calculate d as per SCRR, 1957) | Number of Voting Rights held in each class of Securities | | | No. of Shares Underlyin- g Outstanding / convertible securities (including | Sharehold- ing, as a % assuming full conversion of convertible securities | Number of locked in shares | | | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialised form |
|----------|-------------------------------|-----------------------|---|--|--|------------------------|--|--|-------|-------------------------------------|--|---|----------------------------|---------------------------------|---------------------------------|--|---|
| | | | | | | | | No of Voting Rights | | Total as a % of (A+B+C) | | | No. (a) | As a % of total Shares held (b) | As a % of total Shares (c/d)(b) | | |
| | | | | | | | | Class eq- iv | Total | | | | | | | | |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) = (iv)+(v)+ (vi) | (viii) As a % of (A+B+C) | (ix) | (x) | (xi) = (vii)+(ix) As a % of (A+B+C) | (xii) | (xiii) | (xiv) | (xv) | | | |
| (A) | Promoter & Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (C) | Non Promoter - Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (D) | Shares Underlying ODR | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (E) | Shares Held By Employee Trust | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| | Total | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |



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Kurlon Retail Limited- Post Scheme of Arrangement
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholder | PAN | No. of shares held | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares under lien | Total nos. shares held | Shareholding % (ICRA ISS7 As a % of (A+B+C2)) | Number of Voting Rights held in each class of securities | | | Total as a % of Total Voting Rights | No. of Shares Outstanding (including convertible securities) | Shareholding, as a % assuming full conversion of convertible securities (A1)-(A4)+(C2) | Number of Locked in Shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in demat form |
|--|------------|--------------------|---|-----------------------------------|--------------------------|------------------------|---|--|------------|-------------|-------------------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|--|
| | | | | | | | | No. of Voting Rights | | | | | | No. (a) | As a % of total shares held (A) | No. (b) | As a % of total shares held (B) | |
| | | | | | | | | Class: E | Class: F | Total | | | | | | | | |
| 1 | (A) | (B) | (C) | (D) | (E) | (F) | (G) = (D+E+F) / (A+B+C2) | (H) | (I) | (J) | (K) | (L) | (M) | (N) | (O) | (P) | (Q) | |
| (a) Individuals / Hindu Undivided Family | | | | | | | | | | | | | | | | | | |
| (b) Central Government / State Government(s) | | | | | | | | | | | | | | | | | | |
| (c) Financial Institutions / Banks | | | | | | | | | | | | | | | | | | |
| (d) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| (i) Bodies Corporate | | | | | | | | | | | | | | | | | | |
| (ii) Kurlon Insurance Limited | | | | | | | | | | | | | | | | | | |
| (iii) Sub-Totals (A1)-(A4) | | | | | | | | | | | | | | | | | | |
| 2 | (R) | (S) | (T) | (U) | (V) | (W) | (X) = (U+V+W) / (A+B+C2) | (Y) | (Z) | (AA) | (AB) | (AC) | (AD) | (AE) | (AF) | (AG) | (AH) | |
| (a) Individuals (Non-Resident Individuals / Foreign Individuals) | | | | | | | | | | | | | | | | | | |
| (b) Government | | | | | | | | | | | | | | | | | | |
| (c) Institutions | | | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investor | | | | | | | | | | | | | | | | | | |
| (e) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| (i) Sub-Totals (A1)-(A4) | | | | | | | | | | | | | | | | | | |
| Total Shareholding Of Promoter And Promoter Group (A1)-(A4)+(R)-(S) | | | | | | | | | | | | | | | | | | |

Details of Shares which remains unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

- Note:
- (1) PAN would not be displayed on website of Stock Exchange(s)
 - (2) The term "Suzamirana" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



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| Category & Name of the shareholders | PAN | No. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per CSR, SSF As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding Convertible Securities (including securities convertible into equity shares) | No. of Locked In shares | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialized form | Sub-categorization of shares | | | | | |
|-------------------------------------|-----|---------------------|---|-----------------------------------|--|------------------------|--|--|-------|-------|---|-------------------------|--|---|-------------------------------|---------------------------------|---------------------------------|--------------|---------------|----------------|
| | | | | | | | | No of Voting Rights | | | | | | | As a % of Total Voting Rights | As a % of total Shares (A+B+C7) | As a % of total Shares (A+B+C7) | Category (i) | Category (ii) | Category (iii) |
| | | | | | | | | Class | Class | Total | | | | | | | | | | |
| I | | | | | | | | | | | | | | | | | | | | |
| (a) | | | | | | | | | | | | | | | | | | | | |
| (b) | | | | | | | | | | | | | | | | | | | | |
| (c) | | | | | | | | | | | | | | | | | | | | |
| (d) | | | | | | | | | | | | | | | | | | | | |
| (e) | | | | | | | | | | | | | | | | | | | | |
| (f) | | | | | | | | | | | | | | | | | | | | |
| (g) | | | | | | | | | | | | | | | | | | | | |
| (h) | | | | | | | | | | | | | | | | | | | | |
| (i) | | | | | | | | | | | | | | | | | | | | |
| (j) | | | | | | | | | | | | | | | | | | | | |
| (k) | | | | | | | | | | | | | | | | | | | | |
| (l) | | | | | | | | | | | | | | | | | | | | |
| (m) | | | | | | | | | | | | | | | | | | | | |
| (n) | | | | | | | | | | | | | | | | | | | | |
| (o) | | | | | | | | | | | | | | | | | | | | |
| (p) | | | | | | | | | | | | | | | | | | | | |
| (q) | | | | | | | | | | | | | | | | | | | | |
| (r) | | | | | | | | | | | | | | | | | | | | |
| (s) | | | | | | | | | | | | | | | | | | | | |
| (t) | | | | | | | | | | | | | | | | | | | | |
| (u) | | | | | | | | | | | | | | | | | | | | |
| (v) | | | | | | | | | | | | | | | | | | | | |
| (w) | | | | | | | | | | | | | | | | | | | | |
| (x) | | | | | | | | | | | | | | | | | | | | |
| (y) | | | | | | | | | | | | | | | | | | | | |
| (z) | | | | | | | | | | | | | | | | | | | | |



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| (i) | Foreign Companies | (ii) | Banks Companies | (iii) | Any Other (Specify) | (iv) | Partly Corporate Liability Partnership | (v) | Widely Held/Unlisted Equity | (vi) | Clearing Member | (vii) | Sub-Total (B)(i) | (viii) | Total Public Shareholding (B) | (ix) | Total (A+B)(C)+(D)+(E)+(F)+(G) |
|-----|-------------------|------|-----------------|-------|---------------------|------|--|-----|-----------------------------|------|-----------------|-------|------------------|--------|-------------------------------|------|--------------------------------|
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| | | | | | | | | | | | | | | | | | |

Details of the shareholders acting as persons in Concert including their Shareholding (P-a. and b):

| No. of shareholders | No. of Shares | % |
|---------------------|---------------|---|
| 0 | | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

| No. of shareholders | No. of Shares |
|---------------------|---------------|
| 0 | |

- Note :
- (1) PAN would not be displayed on website of Stock Exchange(s).
 - (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(XII) is not applicable in the above format.
 - (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian, first in the order prescribed in the above format. Shareholding under any of the categories shall be unique and will not be duplicated under multiple categories.
 - (4) Sub-categorization of shares under column no. (vi) will be based on shareholding(s) of shareholder the following sub-categories:
 - (i) Shareholder who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative(s) a Director on the board of the listed entity.
 - (ii) Shareholder who have entered into shareholder agreement with the listed entity.
 - (iii) Shareholders acting as persons in concert with promoters.



KURLON RETAIL LIMITED

Registered Office : N-301, 3rd Floor, North Block, Manipal Centre, 47, Dickenson Road, Bengaluru - 560 042, Karnataka, India. Phone: 080 40313150 CIN No - U36104KA2012PLC065664 URL : www.kurlon.com

Kurlon Retail Limited- Post Scheme of Arrangement
Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | PAN | No. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities (including securities) | Fig. as a % assuming full conversion of convertible securities (A+B+C2) | Number of Locked in Shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form |
|---|-----|---------------------|---|-----------------------------------|--|--------------------------|--|--|--------------------------------|--------|--|---|---------------------------------|--------------------------------|--|--------------------------------|---|
| | | | | | | | | No of Voting Rights | | | | | No. (a) | As a % of total Shares held(b) | No. (a) | As a % of total Shares held(b) | |
| | | | | | | | | Class no. | Class eq. | Total | | | | | | | |
| | | | (VI) | (VII) | (VIII) | (IX) = (VI)+(VII)+(VIII) | (X) As a % of (A+B+C2) | (XI) | (XII) = (X) As a % of (A+B+C2) | (XIII) | (XIV) = (XIII) As a % of (A+B+C2) | (XV) | (XVI) = (XV) As a % of (A+B+C2) | (XVII) | (XVIII) = (XVII) As a % of (A+B+C2) | (XIX) | |
| 1. Custodian/DR Holder | | | | | | | | | | | | | | | | | |
| Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021 | | | | | | | | | | | | | | | | | |
| 2. Total Non-Promoter/ Non Public Shareholding (C1) | | | | | | | | | | | | | | | | | |
| (C1)-(C2) | | | | | | | | | | | | | | | | | |

Note :

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) If above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity, Column no.(XIII) is not applicable in the above format.
- (3) Where information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.



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Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | | | |
|---|---|--|-----|
| 1. | Name of Entity: Kurlon Retail Limited | | |
| 2. | Class of Security: Equity | | |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) | | |
| | a. | If under 31(1)(b) then indicate the report for Quarter ending | |
| | b. | If under 31(1)(c) then indicate date of allotment/extinguishment | |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- | | |
| | Particulars | Yes* | No* |
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |
| * If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities. | | | |



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Kurlon Retail Limited-Pre Scheme of Arrangement
Table 1 - Summary Statement holding of specified securities

| Category | Category of shareholder | No. of shares held | No. of fully paid up equity shares held | No. of partly paid-up equity shares held | No. of shares underlying Depositor Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (Substrate SCAR, ISIN) | Number of Voting Rights in each class of securities | | | No. of Shares Underlying Outstanding convertible securities (including OPF) | Shareholding, as a % assuming full conversion of convertible securities (No. (13) As a % of (10+12)) | Number of Locked in Shares | | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialized form | |
|----------|------------------------------|--------------------|---|--|---|------------------------|---|---|-----------------|-------|---|--|-----------------------------|-----------------------------|--|---|---|
| | | | | | | | | Class | As a % of Total | Total | | | As a % of total shares held | As a % of total shares held | | | |
| (10) | Promoter & Promoter Group | 110 | 105 | 0 | 0 | 215 | 100 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 215 | |
| (11) | Public | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (12) | Non Promoter - Non Public | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (13) | Share Underlying DRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (14) | Share Held by Employee Trust | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (15) | Total | 110 | 105 | 0 | 0 | 215 | 100 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 215 | |



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Kurlon Retail Limited- Pre Scheme of Arrangement

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the Shareholder | Entity Type | Nos. of shares/units | Nos. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % as per SCRA (S17 As a % of (A+B+C2)) | Number of Voting Rights held in each class of securities | | | Total as a % of Total Voting Rights (including convertible securities) | No. of Shares Underlying Warrants | No. of Shares assumed to be converted into equity shares/ securities | Number of Locked In Shares | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialised form |
|------------------------------------|--|----------------------|--|-----------------------------------|--|------------------------|---|--|-------------|-------|--|-----------------------------------|--|----------------------------|--|---|
| | | | | | | | | No. of Voting Rights | | Total | | | | | | |
| | | | | | | | | Class Ag. K | Class Ag. Y | | | | | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) | |
| I | Indian | | | | | | | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | | | | | | | | | | | | | | | |
| (b) | Central Government / State Government(s) | | | | | | | | | | | | | | | |
| (c) | Financial Institutions / Banks | | | | | | | | | | | | | | | |
| (d) | Any Other (Specify) | | | | | | | | | | | | | | | |
| | Banks - Corporate | | | | | | | | | | | | | | | |
| | Kurlon - Enterprise Limited (Along with S. Promoted) | Promoters | 1 | 15,294,888 | | 15,294,888 | 100 | 100 | 100 | 100 | 100 | 100 | | | 15,294,888 | |
| | Sub Total (A11) | | 1 | 15,294,888 | | 15,294,888 | 100 | 100 | 100 | 100 | 100 | 100 | | | 15,294,888 | |
| J | Foreign | | | | | | | | | | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | | | | | | | | | | | | | | | |
| (b) | Government | | | | | | | | | | | | | | | |
| (c) | Foreign Banks | | | | | | | | | | | | | | | |
| (d) | Foreign Portfolio Investor | | | | | | | | | | | | | | | |
| (e) | Any Other (Specify) | | | | | | | | | | | | | | | |
| | Sub Total (A12) | | | | | | | | | | | | | | | |
| | Total Shareholding Of Promoter And Promoter Group (A11 + A12) | | 1 | 15,294,888 | | 15,294,888 | 100 | 100 | 100 | 100 | 100 | 100 | | | 15,294,888 | |

Details of Share- which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in dema/unclaimed suspense account, voting rights which are frozen etc.

(1) (A11) would not be displayed on website of Stock Exchange(s)
 (2) The term 'Promoter/Group' has the same meaning as assigned under regulation 3B(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



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Kurlon Retail Limited-Pre Scheme of Arrangement

| Category & Name of the shareholders | Nos of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlyin g Depositor s / Promotors | Total non shares held | Sharehold ing % calculated as per SCAR, 1917 As a % of (A+B+C+D) | Number of Voting Rights held in each class of securities | | | Total as a % of Total Voting Rights (including convertible securities) | No. of Shares Outstanding assuming full conversion of convertible securities | Sharehold ing % assuming full conversion of convertible securities | Number of Locked in Shares | | Number of shares pledged as otherwise encumbered | Number of equity shares held in demateri alised form | Sub-categorization of shares (shareholding No. of shares) under | | |
|---|---------------------|---|-----------------------------------|---|-----------------------|--|--|----------|-------|--|--|--|---------------------------------|---------|--|--|---|------------------|-------------------|
| | | | | | | | Class I | Class II | Total | | | | As a % of Total Shares held (b) | No. (a) | | | As a % of Total Shares held (b) | Sub-category (i) | Sub-category (ii) |
| 1 Institutions (Domestic) | | | | | | | | | | | | | | | | | | | |
| (A) Mutual Fund | 10 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (B) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (C) Alternative Investment Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (D) Banks | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (E) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (F) Provident Funds/ Pension Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (G) Asset Reconstruction Companies | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (H) Sovereign Wealth Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (I) NBFCs registered with RBI | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (J) Other Financial Institutions | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (K) Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| Sub Total (B)(1) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| 2 Institutions (Foreign) | | | | | | | | | | | | | | | | | | | |
| (A) Foreign Direct Investment | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (B) Foreign Venture Capital Investors | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (C) Sovereign Wealth Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (D) Foreign Portfolio Investors Category I | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (E) Foreign Portfolio Investors Category II | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (F) Overseas Depositor(s) holding DRs (Balance sheet figure) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (G) Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| Sub Total (B)(2) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| 3 Central Government/ State Government(s) | | | | | | | | | | | | | | | | | | | |
| (A) Central Government / President of India | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (B) State Government / Government | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| Sub Total (B)(3) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| 4 Non-Institutions | | | | | | | | | | | | | | | | | | | |
| (A) Associate companies / Subsidiaries | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| Directors and their relatives (excluding Independent Directors and nominee Directors) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (B) Key Managerial Personnel | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (C) Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| Trusts where any person belonging to 'Promoter and Promoter Group' category is 'Trustee', 'beneficiary', or 'author of the trust' | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (D) Investor Education and Protection Fund (IEPF) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (E) Resident Individual holding nominal share capital up to Rs. 2 lakhs. | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (F) Non Resident Indians (NRIs) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (G) Foreign Nationals | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (H) Foreign Companies | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (I) Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |



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Kurlon Retail Limited- Pre Scheme of Arrangement

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | No. of sharehold-ers | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlyin-g Depositar-y Receipts held | Total nos. shares held | Sharehold-ing % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlyin-g & Outstand-ing convertible securities (including securities) | Sharehold-ing % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in demateri- alised form | |
|---|----------------------|---|-----------------------------------|---|------------------------|--|--|-------------|-------|--|--|----------------------------|---------|--|---------|---|---------------------------------|
| | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held (b) | No. (c) | | As a % of total Shares held (d) |
| | | | | | | | Class eg: K | Class eg: Y | Total | | | | | | | | |
| (i) | (ii) | (iii) | (iv) | (v) | (vi)+(vii)* | % of | (viii) | (ix) | (x) | (xi) | (xii) | (xiii) | (xiv) | (xv) | | | |
| 1. Custodian/DH Holder | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| 2. Employee Benefit Trust / Employee Welfare Trust under SEB (Share based Employee Benefits and Sweat Equity) Regulations, 2021 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| Total Non-Promoter- Non Public Shareholding (C)= (C1)+(C2) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |

Note :

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) If the above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity, Column no.(XIII) is not applicable in the above format. If any of the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.



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Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. Name of Entity: Kurlon Retail Limited
2. Class of Security: Equity
3. Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c)
 - a. If under 31(1)(b) then indicate the report for Quarter ending
 - b. If under 31(1)(c) then indicate date of allotment/extinguishment

4. Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-

| | Particulars | Yes* | No* |
|---|--|------|-----|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.



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Kurlon Retail Limited- Pre Scheme of Arrangement
Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | No. of shares held | No. of Locked in shares | No. of Shares Underlying Outstanding | No. of Shares Underlying All convertible securities (including securities [VII] As a % of [A+B+C]) | No. of Shares Underlying Outstanding | No. of Shares Underlying All convertible securities (including securities [VII] As a % of [A+B+C]) | Number of Voting Rights held in each class of securities | | | Total as a % of [A+B+C] | No. of Locked in shares | As a % of total Shares held | As a % of total Shares held | Number of equity shares held in dematerialized form |
|----------|-------------------------------|--------------------|-------------------------|--------------------------------------|--|--------------------------------------|--|--|---------|------------|-------------------------|-------------------------|-----------------------------|-----------------------------|---|
| | | | | | | | | No. of Voting Rights | | | | | | | |
| | | | | | | | | Class A | Class B | Total | | | | | |
| [A] | From non & Promoter Group | 1 | 1 | - | - | 1 | - | - | - | 1 | - | - | - | - | - |
| [B] | Public | 13,266,666 | - | - | - | 13,266,666 | 100 | 13,266,666 | - | 13,266,666 | 100 | - | - | 13,266,666 | - |
| [C] | Non Promoter - Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [D] | Shares Underlying ESOP | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [E] | Shares held by Employee Trust | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [F] | Total | 13,266,666 | - | - | - | 13,266,666 | 100 | 13,266,666 | - | 13,266,666 | 100 | - | - | 13,266,666 | - |



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Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Sl. No. | Category & Name of the shareholder | Share Type | PAN | No. of shares held | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total Shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C+D) | Number of Voting Rights held in each class of securities | | | Total as a % of Total Voting Rights | Number of Shares Underlying Outstanding Derivatives | Shareholding % calculated as per SCRR, 1957 As a % of (E+F+G) | Number of Locked in Shares | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialized form |
|---------|--|------------|----------|--------------------|---|-----------------------------------|--|-------------------|---|--|---------------|-------|-------------------------------------|---|---|----------------------------|--|---|
| | | | | | | | | | | Class - eg: 1 | Class - eg: 2 | Total | | | | | | |
| 1 | II | | | (A) | (B) | (C) | (D) | (E) = (A+B+C+D) | (F) As a % of (A+B+C+D) | | | (G) | (H) | (I) = (G+H) | (J) As a % of (E+I) | (K) | (L) | (M) |
| 101 | Individuals / Hindu Undivided Family | | | | | | | | | | | | | | | | | |
| 102 | Central Government / State Government(s) | | | | | | | | | | | | | | | | | |
| 103 | Financial institutions / Banks | | | | | | | | | | | | | | | | | |
| 104 | Any Other Category | | | | | | | | | | | | | | | | | |
| | Builder / Contractor | | | | | | | | | | | | | | | | | |
| | Kurlon Retail Retail Limited (Along with its Subsidiaries) | Preference | AAAC0004 | 1 | 15,246,664 | - | - | 15,246,664 | 100 | 100 | 100 | 100 | - | 100 | 100 | - | - | 15,246,664 |
| | Sub Total (A-E) | | | 1 | 15,246,664 | - | - | 15,246,664 | 100 | 100 | 100 | 100 | - | 100 | 100 | - | - | 15,246,664 |
| 2 | Foreign | | | | | | | | | | | | | | | | | |
| 105 | Individuals (Non-Resident Indians / Foreign Individuals) | | | | | | | | | | | | | | | | | |
| 106 | Government of | | | | | | | | | | | | | | | | | |
| 107 | Individuals | | | | | | | | | | | | | | | | | |
| 108 | Foreign Financial Investor | | | | | | | | | | | | | | | | | |
| 109 | Any Other Category | | | | | | | | | | | | | | | | | |
| | Sub Total (A-F) | | | | | | | | | | | | | | | | | |
| | Total Shareholding Of Promoter And Promoter Group (A+I) | | | 1 | 15,246,664 | - | - | 15,246,664 | 100 | 100 | 100 | 100 | - | 100 | 100 | - | - | 15,246,664 |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note:

(1) PAN would not be displayed on website of Stock Exchange(s)

(2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



KURLON RETAIL LIMITED

Registered Office : N-301, 3rd Floor, North Block, Manipal Centre, 47, Dickenson Road, Bengaluru - 560 042, Karnataka, India. Phone: 080 40313150 CIN No - U36104KA2012PLC065664 URL : www.kurlon.com

Kurlon Retail Limited- Pre Scheme of Arrangement

| Category & Name of the shareholder | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares under Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | No. of shares convertible into equity securities (including securities held in convertible securities) | Shareholding % assuming full conversion | Number of Locked in shares | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialized form | Sub-categorization of shares | | |
|---|----------------------|---|-----------------------------------|---|------------------------|---|--|-----------|-------|--|---|----------------------------|--|---|------------------------------|--------|---------|
| | | | | | | | Class: I | Class: II | Total | | | | | | SC | SO | SR |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) | (xi) | (xii) | (xiii) | (xiv) | (xv) | (xvi) | (xvii) | (xviii) |
| 1 Institutions (Domestic) | | | | | | | | | | | | | | | | | |
| (a) Mutual Fund | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (b) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (c) Alternate Investment Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (d) Banks | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (e) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (f) Provident Funds/ Pension Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (g) Asset Reconstruction Companies | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (h) Sovereign Wealth Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (i) NRFCs registered with RBI | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (j) Other Financial Institutions | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (k) Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| Sub Total (1)(i) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| 2 Institutions (Foreign) | | | | | | | | | | | | | | | | | |
| (a) Foreign Direct Investment | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (b) Foreign Venture Capital Investors | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (c) Sovereign Wealth Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (d) Foreign Portfolio Investors Category I | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (e) Foreign Portfolio Investors Category II | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (f) Overseas Depositories (holding DRs) (balancing) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (g) (Specs) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (h) Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| Sub Total (2)(i) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| 3 Central Government/ State Government/ State Government / Governor | | | | | | | | | | | | | | | | | |
| (a) Central Government / President of India | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (b) State Government / Governor | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (Shareholding by Companies or Indian Corporate where Central / State Government is a promoter) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| Sub Total (3)(i) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| 4 Non-Institutions | | | | | | | | | | | | | | | | | |
| (a) Associate companies / Subsidiaries | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (b) Directors and their relatives (including Independent Directors and nominee Directors) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (c) Key Managerial Personnel | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (Relatives of promoters (other than immediate relatives of promoters disclosed under Promoter and Promoter Group' category) trusts where any person belonging to Promoter and Promoter Group' category is Trustee, beneficiary, or 'author of the trust') | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (d) Investor Education and Protection Fund (IETF) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (e) Resident individual holding nominal share capital up to Rs. 2 lakhs. | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (f) Resident individual holding nominal share capital in excess of Rs. 2 lakhs. | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (g) Non-Resident Indians (NRIs) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (h) Foreign Nationals | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (i) Foreign Companies | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |



KURLON RETAIL LIMITED

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| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) | (17) | (18) | (19) | (20) |
|-----|-------------------------------------|-----|-----|-----|-----|--------|-----|-----|------|--------|------|--------|------|--------|------|------|------|------|------|
| (a) | Resident Corporate | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (b) | Any Other (Specify) | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| | Body Corp./of Liability Partnership | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| | Hindu Undivided Family | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| | Charity Member | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| | Sub Total (a)+(b) | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| | Total Public Shareholding (B): | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| | (B)(1)-(B)(2)-(B)(3)-(B)(4) | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

| No. of shareholders | No. of Shares | % |
|---------------------|---------------|---|
| 0 | | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

| No. of shareholders | No. of Shares |
|---------------------|---------------|
| 0 | 0 |

Note:

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (20) is not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian, category falling 'Not in the order' prescribed in the above format. Shareholding under any of the categories shall be unique and will not be duplicated under multiple categories.
- (4) Sub-categorization of shares under column no. (20) will be based on shareholder (No. of shares) under the following sub-categories:
- (5) Shareholder who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative (i.e. Director) on the board of the listed entity.
- (6) Shareholder who have entered into shareholder agreement with the listed entity.
- (7) Shareholders acting as persons in concert with promoters.



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Kurlon Retail Limited- Pre Scheme of Arrangement
Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | Nos. of shareholders (i) | No. of fully paid up equity shares held (ii) | Partly paid-up equity shares held (iii) | No. of shares underlying Depository Receipts held (iv) | Total nos. shares held (v)=(ii)+(iii)+(iv) | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) (vi) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding (vii) (including securities convertible) | Shareholding, as assuming full conversion of convertible securities (viii) | Number of Locked In Shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form (xiii) |
|---|--------------------------|--|---|--|--|--|--|-------------|--------------|---|--|----------------------------------|---------|--|-----------|--|
| | | | | | | | No of Voting Rights | | | | | As a % of total shares held (ix) | No. (x) | As a % of total shares held (xi) | No. (xii) | |
| | | | | | | | Class eg: Z | Class eg: Y | Total (viii) | | | | | | | |
| 1 Custodian/DJR Holder | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| Total Non-Promoter- Non Public Shareholding (C) = (C1)+(C2) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |

Note :

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(Xiii) is not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.



BELVEDORE INTERNATIONAL LIMITED


Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | |
|----|---|
| 1. | Name of Entity: Belvedere International Limited |
| 2. | Class of Security: Equity |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) |
| | a. If under 31(1)(b) then indicate the report for Quarter ending |
| | b. If under 31(1)(c) then indicate date of allotment/extinguishment |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- |

| | Particulars | Yes* | No* |
|---|--|------|-----|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.





BeneVedore International Limited- Post Scheme of Arrangement

Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | Nos. of sharehold-ers | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlyin- g Depositor y Receipts | Total nos shares held | Sharehold- ing as a % of total no. of shares (calculate d as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | Shares Underlyin- g convertibl e securities (including | ing, as a % assumin- g full conversto n of convertible securities | Number of Locked In shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in demateria- lized form | |
|----------|-------------------------------|-----------------------|---|--|---|-----------------------|--|--|-------------|-------|--|---|----------------------------|---------|--|---------|---|--------------------------------|
| | | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total shares held(b) | No. (a) | | As a % of total shares held(b) |
| | | | | | | | | Class eg: A | Class eg: B | Total | | | | | | | | |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) A+a | (viii) | (ix) | (x) | (xi) | (xii) | (xiii) | (xiv) | (xv) | (xvi) | | | |
| (A) | Promoter & Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (C) | Non Promoter - Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (CA) | Shares Underlying O/S | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (CB) | Shares held By Employee Trust | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |



BEVEDORE INTERNATIONAL LIMITED



Bevedore International Limited- Post Scheme of Arrangement
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholders | Entity Type | No. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including) | ing, as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form |
|-------------------------------------|--|---------------------|---|-----------------------------------|--|-------------------------|---|--|-----------|--|--|--|----------------------------|-----------------------------|--|-----------------------------|---|
| | | | | | | | | Class: I | Class: II | Total | | | No. of Total Voting Rights | As a % of total shares held | No. (a) | As a % of total shares held | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) As a % of (A+B+C) | (VIII) Class: I | (IX) Class: II | (X) Total | (XI) Total as a % of Total Voting Rights | (XII) | (XIII) | (XIV) | (XV) | (XVI) | | |
| 1 | Indian | | | | | | | | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | | | | | | | | | | | | | | | | |
| (b) | Central Government / State Government(s) | | | | | | | | | | | | | | | | |
| (c) | Financial Institutions / Banks | | | | | | | | | | | | | | | | |
| (d) | Any Other (Specify) | | | | | | | | | | | | | | | | |
| | Sub-Total (A1) | | | | | | | | | | | | | | | | |
| 2 | Foreign | | | | | | | | | | | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | | | | | | | | | | | | | | | | |
| (b) | Governments | | | | | | | | | | | | | | | | |
| (c) | Institutions | | | | | | | | | | | | | | | | |
| (d) | Foreign Portfolio Investor | | | | | | | | | | | | | | | | |
| (e) | Any Other (Specify) | | | | | | | | | | | | | | | | |
| | Sub-Total (A2) | | | | | | | | | | | | | | | | |
| | Total Shareholding Of Promoter And Promoter Group (A) | | | | | | | | | | | | | | | | |
| | (A1)+(A2) | | | | | | | | | | | | | | | | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.



(1) (A1) should not be displayed on website of Stock Exchanges
 (2) The term 'Encumbrance' has the same meaning as assigned under regulation 2B(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



Bevedore International Limited - Post Scheme of Arrangement
Table III - Statement showing shareholding pattern of the Public shareholder

| Category & Name of the shareholders | Nos. of shares held | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % (calculated as per SCRR, 1957 As a % of (A+B+C+D+E) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including Securities) | ing, as a % of total Voting Rights | Number of Locked In Shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form | Sub-categorization of shares (Shareholding No. of shares) | | | |
|---|---------------------|---|-----------------------------------|--|------------------------|--|--|-------|------------|---|------------------------------------|-------------------------------|---------|--|---------|---|---|------------|-------------|--------------|
| | | | | | | | No of Voting Rights | | | | | As a % of Total Voting Rights | No. (a) | As a % of total shares held (b) | No. (c) | | As a % of total shares held (d) | Category I | Category II | Category III |
| | | | | | | | Class | Total | % of Total | | | | | | | | | | | |
| 1 Institutions (Domestic) | | | | | | | | | | | | | | | | | | | | |
| (a) Mutual Fund | | | | | | | | | | | | | | | | | | | | |
| (b) Venture Capital Funds | | | | | | | | | | | | | | | | | | | | |
| (c) Alternate Investment Funds | | | | | | | | | | | | | | | | | | | | |
| (d) Banks | | | | | | | | | | | | | | | | | | | | |
| (e) Insurance Companies | | | | | | | | | | | | | | | | | | | | |
| (f) Provident Funds/ Pension Funds | | | | | | | | | | | | | | | | | | | | |
| (g) Asset Reconstruction Companies | | | | | | | | | | | | | | | | | | | | |
| (h) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | | | |
| (i) NBFCs registered with RBI | | | | | | | | | | | | | | | | | | | | |
| (j) Other Financial Institutions | | | | | | | | | | | | | | | | | | | | |
| (k) Any Other (Specify) | | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(1) | | | | | | | | | | | | | | | | | | | | |
| 2 Institutions (Foreign) | | | | | | | | | | | | | | | | | | | | |
| (a) Foreign Direct Investments | | | | | | | | | | | | | | | | | | | | |
| (b) Foreign Venture Capital Investors | | | | | | | | | | | | | | | | | | | | |
| (c) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investors Category I | | | | | | | | | | | | | | | | | | | | |
| (e) Foreign Portfolio Investors Category II | | | | | | | | | | | | | | | | | | | | |
| (f) Overseas Depositories/Holding DRs (balancing figure) | | | | | | | | | | | | | | | | | | | | |
| (g) Any Other (Specify) | | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(2) | | | | | | | | | | | | | | | | | | | | |
| 3 Central Government/ State Government(s) | | | | | | | | | | | | | | | | | | | | |
| (a) Central Government / President of India | | | | | | | | | | | | | | | | | | | | |
| (b) State Government / Governor | | | | | | | | | | | | | | | | | | | | |
| (c) Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter | | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(3) | | | | | | | | | | | | | | | | | | | | |
| 4 Non-Institutions | | | | | | | | | | | | | | | | | | | | |
| (a) Associates companies / subsidiaries | | | | | | | | | | | | | | | | | | | | |
| (b) Directors and their relatives (excluding Independent Directors and nominee Directors) | | | | | | | | | | | | | | | | | | | | |
| (c) Key Managerial Personnel | | | | | | | | | | | | | | | | | | | | |
| (d) Relatives of promoters (other than immediate relatives) of promoters disclosed under Promoter and Promoter Group category | | | | | | | | | | | | | | | | | | | | |
| (e) Trusts where any person belonging to Promoter and Promoter Group category is trustee, beneficiary, or 'author of the trust' | | | | | | | | | | | | | | | | | | | | |
| (f) Investor Education and Protection Fund (IEPF) | | | | | | | | | | | | | | | | | | | | |
| (g) S. Resident individual holding nominal share capital up to Rs. 2 lakhs | | | | | | | | | | | | | | | | | | | | |
| (h) S. Resident individual holding nominal share capital in excess of Rs. 2 lakhs | | | | | | | | | | | | | | | | | | | | |
| (i) Non Resident Indians (NRIs) | | | | | | | | | | | | | | | | | | | | |



BELVEDERE INTERNATIONAL LIMITED



| | | | | | | | | | | | | | | | | | | | | | | |
|-----|-------------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| (1) | Foreign Nationals | | | | | | | | | | | | | | | | | | | | | |
| (2) | Foreign Companies | | | | | | | | | | | | | | | | | | | | | |
| (3) | Indian Corporate | | | | | | | | | | | | | | | | | | | | | |
| (4) | Any Other (Specify) | | | | | | | | | | | | | | | | | | | | | |
| | Bank Corp Ltd Liability Partnership | | | | | | | | | | | | | | | | | | | | | |
| | How Unclaimed Family | | | | | | | | | | | | | | | | | | | | | |
| | Drawing Member | | | | | | | | | | | | | | | | | | | | | |
| | Sub Total (8)(3) | | | | | | | | | | | | | | | | | | | | | |
| | Total Public Shareholding (8) | | | | | | | | | | | | | | | | | | | | | |
| | (9)(1)+(2)+(3)+(4) | | | | | | | | | | | | | | | | | | | | | |

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

| No. of shareholders | No. of Shares |
|---------------------|---------------|
| 0 | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

| No. of shareholders | No. of Shares |
|---------------------|---------------|
| 0 | 0 |

- Note:
- (1) PAN would not be displayed on website of Stock Exchange(s).
 - (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(9)(1) is not applicable in the above format.
 - (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.
 - (4) Categorization and disclosure of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be classified in the
 - (5) Sub-categorization of shares under column no.(9)(1) will be based on shareholding(s) of shares under the following sub-categories:
 - (i) Shareholder who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative (i.e. Director) on the board of the listed entity.
 - (ii) Shareholder who have entered into shareholder agreement with the listed entity.
 - (iii) Shareholders acting as persons in concert with promoters.





Bevedore International Limited- Post Scheme of Arrangement
Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | Nos. of sharehold-ers | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Sharehold-ing % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | Shares Underly-ing Outstand-ing | mg. as a % assuming full conversion of convertible securities | Number of Locked in Shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form | |
|--|-----------------------|---|-----------------------------------|--|------------------------|---|--|-------------|-------|---------------------------------|---|----------------------------|---------|--|---------|---|--------------------------------|
| | | | | | | | Tap of Voting Rights | | | | | Total as a % of (A+B+C3) | No. (X) | As a % of total Shares held(b) | No. (Y) | | As a % of total Shares held(b) |
| | | | | | | | Class eq. 1 | Class eq. 2 | Total | | | | | | | | |
| (I) | (II) | (III) | (IV) | (V) | (VI) = (IV) + (V) | (VII) As a % of (A+B+C2) | (VIII) | (IX) | (X) | (XI) | (XII) | (XIII) | (XIV) | (XV) | | | |
| 1. Custodian/DR Holder | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulation, 2021 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Non-Promoter- Non Public Shareholding (C)* (C1)+(C2) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |

Note:
 (1) PAN would not be displayed on website of Stock Exchange(s).
 (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (XIII) is not applicable in the above format.
 (3) Where the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.




Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | |
|----|--|
| 1. | Name of Entity: Belvedere International Limited |
| 2. | Class of Security: Equity |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) |
| | a. If under 31(1)(b) then indicate the report for Quarter ending |
| | b. If under 31(1)(c) then indicate date of allotment/extinguishment |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- |

| | Particulars | Yes* | No* |
|---|--|------|-----|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.



BEVEDORE INTERNATIONAL LIMITED



Bevedore International Limited- Post Scheme of Arrangement
Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | Nos of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depositor Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculate it as per SCRA, 1957) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including | ing, as a % assuming full conversion of convertible securities) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form | |
|----------|-------------------------------|---------------------|---|--|---|----------------------------|---|--|-------------|-------|---|---|----------------------------|---------|--|---------|---|---------------------------------|
| | | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held (b) | No. (x) | | As a % of total Shares held (y) |
| | | | | | | | | Class eg: X | Class eg: Y | Total | | | | | | | | |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) = (iii) + (iv) + (v) | (viii) As a % of (vii) | (ix) | (x) | (xi) | (xii) | (xiii) | (xiv) | (xv) | (xvi) | | | |
| (A) | Promoter & Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (C) | Non Promoter - Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (D) | Shares Underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (E) | Shares Held By Employee Trust | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| | Total | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |



BEVEDORE INTERNATIONAL LIMITED



Bevedore International Limited- Post Scheme of Arrangement
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholders | Entry Type | PAN | No. of shares | | Partly paid-up shares | No. of shares under/lying Depository Receipts | Total nos. shares held | Shareholding % (calculated as per SCRR, 1957 As a % of (A+B+C)) | Number of Voting Rights held in each class of securities | | | Share Underlying Outstanding convertible securities including | Fig. as % assuming full conversion | Number of Locked In Shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form |
|-------------------------------------|--|-----|-------------------|----------------------|-----------------------|---|------------------------|---|--|----------|-------|---|------------------------------------|-------------------------------|-----------------------------|--|-----------------------------|---|
| | | | Mon. of sharehold | fully paid up shares | | | | | Class. 1 | Class. 2 | Total | | | As a % of Total Voting Rights | As a % of total Shares held | No. of | As a % of total Shares held | |
| | | | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) | (N) | (O) | (P) | (Q) | (R) |
| 1 | Indian | | | | | | | | | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | | | | | | | | | | | | | | | | | |
| (b) | Central Government / State Government(s) | | | | | | | | | | | | | | | | | |
| (c) | Institutional Investors / Banks | | | | | | | | | | | | | | | | | |
| (d) | Any Other Entity(s) | | | | | | | | | | | | | | | | | |
| | Sub Total (A)(1) | | | | | | | | | | | | | | | | | |
| 2 | Foreign | | | | | | | | | | | | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Institutional Investors) | | | | | | | | | | | | | | | | | |
| (b) | Government | | | | | | | | | | | | | | | | | |
| (c) | Institutions | | | | | | | | | | | | | | | | | |
| (d) | Foreign Portfolio Investor | | | | | | | | | | | | | | | | | |
| (e) | Any Other Entity(s) | | | | | | | | | | | | | | | | | |
| | Sub Total (A)(2) | | | | | | | | | | | | | | | | | |
| | Total Shareholding Of Promoter And Promoter Group (A)+(B)(1)+(A)(2) | | | | | | | | | | | | | | | | | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.



Note:
(1) PAN should not be displayed on website of Stock Exchange(s)
(2) The term "Encumbrance" has the same meaning as assigned under regulation 2B(1) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

BEJAYEDORE INTERNATIONAL LIMITED



Bejayedore International Limited- Post Scheme of Arrangements
Table III - Statement showing shareholding pattern of the Public shareholders

| Category & Name of the shareholders | PAN | No. of Sharehold-ers | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underly-ing Depository receipts | Total nos. shares held | Sharehold-ing % calculated as per SCRR, 1957 as % of (A+B+C) | Number of Voting Rights held in each class of securities | | | Total as a % of Total Voting Rights | Shares Underly-ing convertible securities (including securities) | No. of Locked in shares | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialised form | Sub-categorization of shares | | |
|--|-----|----------------------|---|-----------------------------------|---|------------------------|--|--|----------|-------|-------------------------------------|--|-------------------------|--|---|------------------------------|-----------|-----------|
| | | | | | | | | Class of | Class of | Total | | | | | | (No. (A)) | (No. (B)) | (No. (C)) |
| I - Institutions (Domestic) | | | | | | | | | | | | | | | | | | |
| (Ia) Mutual Fund | | | | | | | | | | | | | | | | | | |
| (Ib) Venture Capital Funds | | | | | | | | | | | | | | | | | | |
| (Ic) Alternative Investment Funds | | | | | | | | | | | | | | | | | | |
| (Id) Banks | | | | | | | | | | | | | | | | | | |
| (Ie) Insurance Companies | | | | | | | | | | | | | | | | | | |
| (If) Pension Funds/ Pension Funds | | | | | | | | | | | | | | | | | | |
| (Ig) Asset Reconstruction Companies | | | | | | | | | | | | | | | | | | |
| (Ih) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | |
| (Ii) NBFCs registered with RBI | | | | | | | | | | | | | | | | | | |
| (Ij) Other Financial Institutions | | | | | | | | | | | | | | | | | | |
| (Ik) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| Sub Total (IS) | | | | | | | | | | | | | | | | | | |
| II - Institutions (Foreign) | | | | | | | | | | | | | | | | | | |
| (IIa) Foreign Direct Investment | | | | | | | | | | | | | | | | | | |
| (IIb) Foreign Venture Capital Investors | | | | | | | | | | | | | | | | | | |
| (IIc) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | |
| (IId) Foreign Portfolio Investors Category I | | | | | | | | | | | | | | | | | | |
| (IIE) Foreign Portfolio Investors Category II | | | | | | | | | | | | | | | | | | |
| (IIf) Deposits Deposited/Holding DRs (Balancing Share) | | | | | | | | | | | | | | | | | | |
| (IIg) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| Sub Total (IIT) | | | | | | | | | | | | | | | | | | |
| III - Central Government/ State Government(s) | | | | | | | | | | | | | | | | | | |
| (IIIa) Central Government / President of India | | | | | | | | | | | | | | | | | | |
| (IIIb) State Government / Governor | | | | | | | | | | | | | | | | | | |
| (IIIc) Subsidiary to Companies or Bodies Corporate where Central / State Government is a promoter | | | | | | | | | | | | | | | | | | |
| Sub Total (IIIS) | | | | | | | | | | | | | | | | | | |
| IV - Non-Institutions | | | | | | | | | | | | | | | | | | |
| (IVa) Associate companies / Subsidiaries | | | | | | | | | | | | | | | | | | |
| (IVb) Directors and their relatives (excluding Independent Directors and nominee Directors) | | | | | | | | | | | | | | | | | | |
| (IVc) Key Managerial Personnel | | | | | | | | | | | | | | | | | | |
| (IVd) Relatives of promoters (other than "immediate relatives" of promoters disclosed under "Promoter and Promoter Group" category) | | | | | | | | | | | | | | | | | | |
| (IVe) Persons where any person belonging to "Promoter and Promoter Group" category is "relative", "beneficiary", or "member of the family" | | | | | | | | | | | | | | | | | | |
| (IVf) Investor Education and Protection Fund (IETF) | | | | | | | | | | | | | | | | | | |
| (IVg) Resident individuals holding nominal share capital up to Rs. 2 lakh. | | | | | | | | | | | | | | | | | | |
| (IVh) Resident Individuals holding nominal share capital in excess of Rs. 2 lakh. | | | | | | | | | | | | | | | | | | |
| (IVi) Non-Resident Indians (NRIs) | | | | | | | | | | | | | | | | | | |
| (IVj) Foreign Nationals | | | | | | | | | | | | | | | | | | |
| (IVk) Foreign Companies | | | | | | | | | | | | | | | | | | |
| (IVl) Bodies Corporate | | | | | | | | | | | | | | | | | | |
| (IVm) Any Other (Specify) | | | | | | | | | | | | | | | | | | |



WILSON FOODS INTERNATIONAL LIMITED



| | | | | | | | | | | | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Body Corp./of Liability Person(s) | | | | | | | | | | | | | | | | | | | | |
| Family/Unrelated Party | | | | | | | | | | | | | | | | | | | | |
| Casting Member | | | | | | | | | | | | | | | | | | | | |
| Sub Total (1)(2)(3) | | | | | | | | | | | | | | | | | | | | |
| Total Public Shareholding (1)(2)(3)+(4)(5)+(6)+(7)+(8)+(9)+(10)+(11)+(12) | | | | | | | | | | | | | | | | | | | | |

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

| No. of shareholders | No. of Shares | % |
|---------------------|---------------|---|
| 0 | | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

| No. of shareholders | No. of Shares |
|---------------------|---------------|
| 0 | 0 |

- Note:
- (1) PAN would not be displayed on website of Stock Exchange(s).
 - (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(10) is not applicable in the above format.
 - (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.
 - (4) Categorization and disclosure of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be classified in the category falling first in order of priority.
 - (5) Sub-categorization of shares under column no.(3) will be based on shareholding (no. of shares) under the following sub-categories:
 - (A) Shareholder who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative on the board of the listed entity.
 - (B) Shareholder who have entered into shareholder agreements with the listed entity.
 - (C) Shareholders acting as persons in concert with promoters.



BELVEDORE INTERNATIONAL LIMITED



Belvedere International Limited- Post Scheme of Arrangement
Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | PAN | No. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRA, 1957 As a % of [A+B+C+D] | Number of Voting Rights held in each class of securities | | | Total as a % of [A+B+C] | Shares Underlying Outstanding convertible securities (including securities) | ing, as a % assuming full conversion of convertible securities | Number of Locked In Shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form |
|--|-----|---------------------|---|-----------------------------------|--|------------------------|---|--|--------------|-------|-------------------------|---|--|----------------------------|--------------------------------|--|--------------------------------|---|
| | | | | | | | | Class eq: I | Class eq: II | Total | | | | No. (a) | As a % of total shares held(b) | No. (a) | As a % of total shares held(b) | |
| 1. Custodian/DR Holder | (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) As a % of [A+B+C+D] | (VIII) | (IX) | (X) | (XI) | (XII) | (XIII) | (XIV) | (XV) | (XVI) | (XVII) | (XVIII) |
| 2. Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021 | | | | | | | | | | | | | | | | | | |
| 3. Retail Non-Promoter- Non Public Shareholding (C) | | | | | | | | | | | | | | | | | | |
| (C) [I]+(C) [2] | | | | | | | | | | | | | | | | | | |

Note:
 (I) PAN would not be displayed on website of Stock Exchange(s).
 (II) If any share format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no (XIII) is not applicable in the above format.
 (III) Wherever information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.





Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | |
|----|---|
| 1. | Name of Entity: Belvedere International Limited |
| 2. | Class of Security: Equity |
| 3. | Share Holding Pattern Filled under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) |
| | a. If under 31(1)(b) then indicate the report for Quarter ending |
| | b. If under 31(1)(c) then indicate date of allotment/extinguishment |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- |

| | Particulars | Yes* | No* |
|---|--|------|-----|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.



BEVVEDORE INTERNATIONAL LIMITED



Bevedore International Limited- Pre Scheme of Arrangement
Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | Shares underlying Outstanding convertible securities (including | ding, as a % assuming full conversion of convertible securities | Number of Locked In shares | | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialized form | | |
|----------|-------------------------------|----------------------|---|--|--|-----------------------------|---|--|-------------|-------------------------|---|---|----------------------------|--------------------------------|--|---|---------|--------------------------------|
| | | | | | | | | No of Voting Rights | | Total as a % of (A+B+C) | | | No. (a) | As a % of total Shares held(b) | | | No. (a) | As a % of total Shares held(b) |
| | | | | | | | | Class eg. X | Class eg. y | | | | | | | | | |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) = (iii)+(iv)+(v)+(vi) | (viii) As a % of (vii) | (ix) | (x) | (xi) | (xii) | (xiii) | (xiv) | (xv) | | | | |
| (A) | Promoter & Promoter Group | 1 | 50,000 | - | - | 50,000 | 100 | 50,000 | - | 50,000 | 100 | - | - | - | - | | | |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | NA | NA | | | |
| (C) | Non Promoter - Non Public | - | - | - | - | - | - | - | - | - | - | - | - | NA | NA | | | |
| (C1) | Shares Underlying DIs | - | - | - | - | - | - | - | - | - | - | - | - | NA | NA | | | |
| (C2) | Shares held By Employee Trust | - | - | - | - | - | - | - | - | - | - | - | - | NA | NA | | | |
| | Total | 1 | 50,000 | - | - | 50,000 | 100 | 50,000 | - | 50,000 | 100 | - | - | - | - | | | |



BEVEDORE INTERNATIONAL LIMITED



Bevedore International Limited- Pre Scheme of Arrangement
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholders | Entity Type | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including securities) | ing, as a % assuming full conversion of convertible securities | Number of Locked In shares | | Number of Shares (pledged or otherwise encumbered) | | Number of equity shares held in dematerialized form | |
|-------------------------------------|---|----------------------|---|-----------------------------------|--|------------------------|---|--|-------------|--------|---|--|-------------------------------------|---------|--|---------|---|---------------------------------|
| | | | | | | | | No of Voting Rights | | | | | Total as a % of Total Voting Rights | No. (a) | As a % of total Shares held (b) | No. (a) | | As a % of total Shares held (b) |
| | | | | | | | | Class eg: X | Class eg: Y | Total | | | | | | | | |
| 1 | Indian | (ii) | (iv) | (v) | (vi) | (vii) = | (viii) As a % | (ix) | | | (x) | (xi) | (xii) | (xiii) | (xiv) | (xv) | | |
| (a) | Individuals / Hindu Undivided Family | | | | | | | | | | | | | | | | | |
| (b) | Central Government / State Government(s) | | | | | | | | | | | | | | | | | |
| (c) | Financial Institutions / Banks | | | | | | | | | | | | | | | | | |
| (d) | Any Other (Specify) | | | | | | | | | | | | | | | | | |
| | Bodies Corporate | 1 | 50,000 | - | - | 50,000 | 100 | 50,000 | - | 50,000 | 100 | - | 100 | - | - | - | - | |
| | Kurlon Enterprise Limited (Along with & Nominee) | 1 | 50,000 | - | - | 50,000 | 100 | 50,000 | - | 50,000 | 100 | - | 100 | - | - | - | - | |
| | Sub Total (A)(1) | 1 | 50,000 | - | - | 50,000 | 100 | 50,000 | - | 50,000 | 100 | - | 100 | - | - | - | - | |
| 2 | Foreign | | | | | | | | | | | | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | | | | | | | | | | | | | | | | | |
| (b) | Government | | | | | | | | | | | | | | | | | |
| (c) | Institutions | | | | | | | | | | | | | | | | | |
| (d) | Foreign Portfolio Investor | | | | | | | | | | | | | | | | | |
| (e) | Any Other (Specify) | | | | | | | | | | | | | | | | | |
| | Sub Total (A)(2) | | | | | | | | | | | | | | | | | |
| | Total Shareholding of Promoter And Promoter Group (A)=(A)(1)+(A)(2) | 1 | 50,000 | - | - | 50,000 | 100 | 50,000 | - | 50,000 | 100 | - | 100 | - | - | - | - | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/undclaimed suspense account, voting rights which are frozen etc.



NOTE:
(1) This would not be displayed on website of Stock Exchange(s)
(2) The term 'encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



Bevedore International Limited- Pre Scheme of Arrangement
Table III - Statement showing shareholding pattern of the Public shareholder

| Category & Name of the shareholder | No. of shareholders | No. of fully paid up equity shares held | Party held-up equity shares held | No. of shares underlying Depository Receipts | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including Depository Receipts) | No. of Shares held as a % of total (Shares held) | Number of Locked in Shares | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialized form | Sub-categorization of shares | | | | | | |
|--|---------------------|---|----------------------------------|--|---|--|-------------|-------|--|--|----------------------------|--|---|-------------------------------|-------------------------------|-----------------------------|---|------------------------------|-------------------|--------------------|
| | | | | | | No of Voting Rights | | | | | | | | As a % of Total Voting Rights | As a % of total (Shares held) | As a % of total Shares held | Number of equity shares held in dematerialized form | Shareholding (No. of shares) | | |
| | | | | | | Class eg: X | Class eg: Y | Total | | | | | | | | | | Under category I | Under category II | Under category III |
| I Institutions (Domestic) | | | | | | | | | | | | | | | | | | | | |
| (A) Mutual Fund | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (B) Venture Capital Funds | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (C) Alternate Investment Funds | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (D) Banks | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (E) Insurance Companies | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (F) Provident Fund/ Pension Funds | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (G) Asset Reconstruction Companies | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (H) Sovereign Wealth Funds | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (I) RBI/CA registered with RBI | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (J) Other financial institutions | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (K) Any Other (Specify) | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| Sub Total (I)(1) | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| J Institutions (Foreign) | | | | | | | | | | | | | | | | | | | | |
| (A) Foreign Direct Investment | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (B) Foreign Venture Capital Investors | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (C) Sovereign Wealth Funds | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (D) Foreign Portfolio Investors Category I | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (E) Foreign Portfolio Investors Category II | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (F) Overseas Depositories (including DRH) (balancing figure) | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (G) Any Other (Specify) | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| Sub Total (J)(2) | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| K Central Government / State Government(s) | | | | | | | | | | | | | | | | | | | | |
| (A) Central Government / President of India | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (B) State Government / Governor | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| L Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter | | | | | | | | | | | | | | | | | | | | |
| (A) Sub Total (L)(1) | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| M Non-Institutions | | | | | | | | | | | | | | | | | | | | |
| (A) Associate companies / Subsidiaries | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| N Directors and their relatives (excluding Independent Directors and nominee Directors) | | | | | | | | | | | | | | | | | | | | |
| (A) Key Managerial Personnel | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (B) Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category) | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| O Trusts where any person belonging to Promoter and Promoter Group category is 'trustee', 'beneficiary', or 'author of the trust' | | | | | | | | | | | | | | | | | | | | |
| (A) Investor Education and Protection Fund (IEPF) | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (B) Resident individual holding nominal share capital up to Rs. 2 lakhs | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (C) Resident individual holding nominal share capital in excess of Rs. 2 lakhs | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (D) Non-Resident Indians (NRIs) | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |



WELSPOND INTERNATIONAL LIMITED



| | | | | | | | | | | | | | | | | | |
|-------|--------------------------------------|---|---|---|---|---|---|---|---|--------|---|--------|---|--------|----|----|---|
| (i) | Foreign Nationals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (ii) | Foreign Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (iii) | Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (iv) | Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (v) | Body Corp. Ltd Liability Partnership | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| | Hindu Undivided Family | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| | Clearing Member | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| | Sub Total (i)-(v) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| | Total Public Shareholding (ii)-(v) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

| | | |
|---------------------|---------------|---|
| No. of shareholders | No. of Shares | % |
| 0 | | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

| | |
|---------------------|---------------|
| No. of shareholders | No. of Shares |
| 0 | 0 |

- Note:
- (1) PAN would not be displayed on website of Stock Exchange(s).
 - (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 3% of shares of the listed entity. Column no. (XIII) is not applicable in the above format.
 - (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.
 - (4) Categorization and disclosure of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be classified in the 1st sub-categorization of shares under column no. (VI) will be based on shareholding (no. of shares) under the following sub-categories:
 - (i) Shareholder who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative(i.e. Director) on the board of the listed entity.
 - (ii) Shareholder who have entered into shareholder agreement with the listed entity.
 - (iii) Shareholders acting as persons in concert with promoters.



BEVEDORE INTERNATIONAL LIMITED



Bevedore International Limited- Pre Scheme of Arrangement

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including securities) | ing, as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form | |
|---|----------------------|---|-----------------------------------|--|------------------------|---|--|-------------|--------------|---|--|----------------------------|---------|--|---------|---|---------------------------------|
| | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held (b) | No. (a) | | As a % of total Shares held (b) |
| | | | | | | | Class eg: x | Class eg: y | Total (viii) | | | | | | | | |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) = | (vii) As a % of | (viii) | (ix) | (x) | (xi) | (xii) | (xiii) | (xiv) | (xv) | | | |
| 1 Custodian/DiH Holder | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| 2 Total Non-Promoter- Non Public Shareholding (C) = (C1)+(C2) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |

Note:

- (1) PAN would not be displayed on website of Stock Exchange[s].
 (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (ix) is not applicable in the above format.
 (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.




Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | |
|----|---|
| 1. | Name of Entity: Belvedere International Limited |
| 2. | Class of Security: Equity |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) |
| | a. If under 31(1)(b) then indicate the report for Quarter ending |
| | b. If under 31(1)(c) then indicate date of allotment/extinguishment |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- |

| | Particulars | Yes* | No* |
|---|--|------|-----|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.



BELVEDORE INTERNATIONAL LIMITED



Belvedere International Limited- Pre Scheme of Arrangement
Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | No. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including securities) | Eg. as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form |
|----------|-------------------------------|---------------------|---|--|--|------------------------|---|--|-------------|---------------|---|---|----------------------------|---------------------------------|--|---------------------------------|---|
| | | | | | | | | No of Voting Rights | | | | | No. (A) | As a % of total Shares held (B) | No. (C) | As a % of total Shares held (D) | |
| | | | | | | | | Class eg. X | Class eg. Y | Total | | | | | | | |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) As a | (ix) | (x) | (xi) | (xii) | (xiii) | (xiv) | (xv) | | | |
| (A) | Promoter & Promoter Group | 1 | 50,000 | - | - | 50,000 | 100 | 50,000 | - | 50,000 | 100 | - | - | - | - | - | |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C) | Non Promoter - Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (CA) | Shares Underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (CB) | Shares Held By Employee Trust | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Total | 1 | 50,000 | - | - | 50,000 | 100 | 50,000 | - | 50,000 | 100 | - | - | - | - | - | |



BEVEDORE INTERNATIONAL LIMITED



Bevedore International Limited- Pre Scheme of Arrangement
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholders | Entry Type | PAN | No. of sharehold-ers | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Sharehold- ing % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | Share Underly- ing Outstanding | Ing. as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | Number of equity shares held in demerit form | |
|-------------------------------------|--|-----------|----------------------|---|-----------------------------------|--|------------------------|---|--|---------------|--------|--------------------------------|--|-------------------------------|---------|--|--|---------------------------------|
| | | | | | | | | | No of Voting Rights | | | | | As a % of total Voting Rights | No. (a) | | | As a % of total Shares held (b) |
| | | | | | | | | | Class eg: (A) | Class eg: (B) | Total | | | | | | | |
| 1 | Indian | | | | | | | | | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | | | | | | | | | | | | | | | | | |
| (b) | Central Government / State Government(s) | | | | | | | | | | | | | | | | | |
| (c) | Financial Institutions / Banks | | | | | | | | | | | | | | | | | |
| (d) | Any Other (Specify) | | | | | | | | | | | | | | | | | |
| | Banks Corporate | | | 1 | 50,000 | - | 50,000 | 100 | 50,000 | - | 50,000 | 100 | - | 100 | - | - | - | |
| | Finance Enterprises (joint holding with & Nominee) | Promoters | AA(CKGG) | 1 | 50,000 | - | 50,000 | 100 | 50,000 | - | 50,000 | 100 | - | 100 | - | - | - | |
| | Sub Total (A1) | | | 1 | 50,000 | - | 50,000 | 100 | 50,000 | - | 50,000 | 100 | - | 100 | - | - | - | |
| 2 | Foreign | | | | | | | | | | | | | | | | | |
| (a) | Individuals (Non Resident Individuals / Foreign Individuals) | | | | | | | | | | | | | | | | | |
| (b) | Government | | | | | | | | | | | | | | | | | |
| (c) | Institutions | | | | | | | | | | | | | | | | | |
| (d) | Foreign Portfolio Investor | | | | | | | | | | | | | | | | | |
| (e) | Any Other (Specify) | | | | | | | | | | | | | | | | | |
| | Sub Total (A2) | | | | | | | | | | | | | | | | | |
| | Total Shareholding Of Promoter And Promoter Group (A1) | | | 1 | 50,000 | - | 50,000 | 100 | 50,000 | - | 50,000 | 100 | - | 100 | - | - | - | |
| | (A1)+(A2) | | | 1 | 50,000 | - | 50,000 | 100 | 50,000 | - | 50,000 | 100 | - | 100 | - | - | - | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demerit/unclaimed suspense account, voting rights which are frozen etc.



1) PAN numbers are displayed on website of Stock Exchange(s)
2) The term "Shareholder" has the same meaning as assigned under regulation 22(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

BEVEDORE INTERNATIONAL LIMITED



Bevedore International Limited- Pre Scheme of Arrangement
Table III - Statement showing shareholding pattern of the Public shareholder

| Category & Name of the shareholders | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including convertible preference shares) | Eq. as a % of total shares | Number of Locked In shares | Number of Shares pledged or otherwise encumbered | Number of equity shares held in demat form | Sub-categorization of shares | | | | | | |
|---|----------------------|---|-----------------------------------|--|------------------------|---|--|------------|-------|--|----------------------------|----------------------------|--|--|-------------------------------|---------|---------------------------------|---------|---------------------------------|---------|---------------------------------|
| | | | | | | | No. of Voting Rights | | | | | | | | As a % of Total Voting Rights | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) |
| | | | | | | | Class (i) | Class (ii) | Total | | | | | | | | | | | | |
| I Institutional (Domestic) | | | | | | | | | | | | | | | | | | | | | |
| (a) Mutual Fund | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (b) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (c) ARFees Investment Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (d) Banks | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (e) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (f) Provident Fund/ Pension Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (g) Asset Reconstruction Companies | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (h) Sovereign Wealth Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (i) NRI/FC registered with RBI | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (j) Other Financial Institutions | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (k) Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| Sub Total (I)(1) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| II Institutional (Foreign) | | | | | | | | | | | | | | | | | | | | | |
| (a) Foreign Direct Investment | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (b) Foreign Venture Capital Investors | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (c) Sovereign Wealth Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (d) Foreign Portfolio Investors Category I | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (e) Foreign Portfolio Investors Category II | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (f) Overseas Depositories (holding ODR) (including figure) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (g) Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| Sub Total (II)(2) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| III Central Government/ State Government(s) | | | | | | | | | | | | | | | | | | | | | |
| (a) Central Government / President of India | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (b) State Government / Governor | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (c) Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| Sub Total (III)(3) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| IV Non-Institutions | | | | | | | | | | | | | | | | | | | | | |
| (a) Associate companies / Subsidiaries | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (b) Directors and their relatives (excluding Independent Directors and nominee Directors) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (c) Key A, managerial Personnel | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (d) Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (e) Trusts where any person belonging to 'Promoter and Promoter Group' category is trustee, beneficiary, or 'author of the trust' | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (f) Invest in Education and Protection Fund (EPF) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (g) Resident individual holding nominal share worth up to Rs. 2 lakhs. | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (h) Resident individual holding nominal share capital in excess of Rs. 2 lakhs. | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (i) Non Resident Indians (NRI) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |



REVENUE INTERNATIONAL FINANCE



| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) | (xi) | (xii) | (xiii) | (xiv) | (xv) | (xvi) | (xvii) | (xviii) | (xix) | (xx) |
|---------------------------------------|------|-------|------|-----|------|-------|--------|------|-----|--------|-------|--------|-------|--------|-------|--------|---------|-------|------|
| (a) Foreign Nationals | 0 | 0 | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (b) Foreign Companies | 0 | 0 | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (c) Indian Corporates | 0 | 0 | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (d) Any Other Entity | 0 | 0 | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (e) Any Corp. Ltd. (Public) | 0 | 0 | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (f) Hindu Undivided Family | 0 | 0 | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (g) Clearing Member | 0 | 0 | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (h) Sub Total (a)-(g) | 0 | 0 | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (i) Total Public Shareholding (a)-(g) | 0 | 0 | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |
| (j) (a)-(i) (21)-(22)-(23)-(24) | 0 | 0 | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | |

Details of the shareholders acting as persons in Concert including their shareholding (No. and %):

| No. of shareholders | No. of shares |
|---------------------|---------------|
| 0 | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

| No. of shareholders | No. of shares |
|---------------------|---------------|
| 0 | |

Note:

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (XII) is not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.
- (4) Categorization and disclosure of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be classified in the Sub-categories of shares under column no. (XV) will be based on shareholding % of shares under the following sub-categories:
- (5) Sub-categories shall be represented by a nominee Director on the board of the listed entity or have the right to nominate a representative (i.e. Director) on the board of the listed entity.
- (6) Shareholders who have entered into shareholder agreement with the listed entity.
- (7) Shareholders acting as persons in concert with promoters.





Belyedore International Limited - Pre Scheme of Arrangement
Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders (I) | Nos. of shares held (II) | No. of fully paid up equity shares held (III) | Partly paid-up equity shares held (IV) | No. of shares underlying Depository Receipts (V) | Total nos. shares held (VI) = (II)+(III)+(IV)+(V) | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VII) As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including (K)) (K) | ing, as a % assuming full conversion of convertible securities (L) = (K) / (A+B+C) | Number of Locked In shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form (DIII) | |
|--|-----------------------------|--|---|---|--|---|--|---------------|--------------|---|---|--------------------------------|----------------|--|----------------|---|---------------------------------------|
| | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) (J) | No. (a) (M) | As a % of total Shares held(b) (N) | No. (a) (O) | | As a % of total Shares held(b) (P) |
| | | | | | | | Class eq: (VIII) | Total (IX) | Total (X) | | | | | | | | |
| 1. Custodian/DIT Holder Employee Benefit Trust / Employee Welfare Trust under SEBI Share based Employee Benefits and Sweat Equity Regulations, 2021 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| 2. Total Non-Promoter- Non Public Shareholding (C) = (C1)+(C2) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |

Note:
 (1) (A) should not be displayed on website of Stock Exchange(s).
 (2) For 15 days format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(XIII) is not applicable in the above format.
 (3) Where the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.



Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | |
|----|---|
| 1. | Name of Entity: Kanvas Concepts Private Limited |
| 2. | Class of Security: Equity |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) |
| | a. If under 31(1)(b) then indicate the report for Quarter ending |
| | b. If under 31(1)(c) then indicate date of allotment/extinguishment |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- |

| | Particulars | Yes* | No* |
|---|--|------|-----|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.



Kanvas Concepts Private Limited | CIN : U74999KA2020PTC138867

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Kanvas Concepts Private Limited- Post Scheme of Arrangement
Table 1 - Summary Statement holding of specified securities

| Category | Category of shareholder | No. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. of shares held | Shareholding as a % of total no. of shares (calculated as per SCSS, 1957) | Number of Voting Rights held in each class of securities | | | Shares Underlying & Outstanding | ing. as a % assuming full conversion of convertible securities (including securities) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form | |
|----------|-------------------------------|---------------------|---|--|--|---------------------------|---|--|-------------|-------|---------------------------------|---|----------------------------|---------|--|---------|---|--------------------------------|
| | | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held(b) | No. (a) | | As a % of total Shares held(b) |
| | | | | | | | | Class eg: X | Class eg: Y | Total | | | | | | | | |
| (I) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) As a | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | | | |
| (A) | Promoter & Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (C) | Non Promoter - Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (C1) | Shares Underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (C2) | Shares Held By Employee Trust | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (C3) | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |



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Kanvas Concepts Private Limited- Post Scheme of Arrangement
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholders | Entity Type | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including warrants) | No. of % assuming conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in demat/physical form | |
|--|-------------|----------------------|---|-----------------------------------|--|------------------------|--|--|----------------|-------|---|--|-------------------------------------|----------|--|----------|---|---------------------------------|
| | | | | | | | | No. of Voting Rights | | | | | Total as a % of Total Voting Rights | Nos. (a) | As a % of total shares held (b) | Nos. (x) | | As a % of total shares held (y) |
| | | | | | | | | Class (e.g. X) | Class (e.g. Y) | Total | | | | | | | | |
| 1 Indian | | (I) | (II) | (III) | (IV) | (V) | (VI) As a % | | | | | (VII) | (VIII) | (IX) | (X) | (XI) | | |
| (a) Individuals / Hindu Undivided Family | | | | | | | | | | | | | | | | | | |
| (b) Central Government / State Government(s) | | | | | | | | | | | | | | | | | | |
| (c) Financial Institutions & Banks | | | | | | | | | | | | | | | | | | |
| (d) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| Sub Total (A)(1) | | | | | | | | | | | | | | | | | | |
| 2 Foreign | | | | | | | | | | | | | | | | | | |
| (a) Individuals (Non-Resident Individuals / Foreign Individuals) | | | | | | | | | | | | | | | | | | |
| (b) Government | | | | | | | | | | | | | | | | | | |
| (c) Institutions | | | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investor | | | | | | | | | | | | | | | | | | |
| (e) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| Sub Total (A)(2) | | | | | | | | | | | | | | | | | | |
| Total Shareholding of Promoter And Promoter Group (A)-(A)(1)+(A)(2) | | | | | | | | | | | | | | | | | | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note :
 (1) FICR would not be displayed on website of Stock Exchange(s)
 (2) The term "Promoter" has the same meaning as assigned under regulation 2(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



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Kanvas Concepts Private Limited- Post Scheme of Arrangement
Table III - Statement showing shareholding pattern of the Public shareholder

| Category & Name of the shareholders | No. of shareholders | No. of fully paid up shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts held | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 as a % of (a+b+c) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities including | ing, as a % assuming full conversion | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in demat (list form) | Sub-categorization of shares | | |
|---|---------------------|----------------------------------|-----------------------------------|---|------------------------|---|--|-------------|-------------|--|--------------------------------------|----------------------------|---------|--|---------|---|------------------------------|--------------------------------|--------------------------------|
| | | | | | | | Total as a % of Total Voting Rights | Class eq: x | Class eq: y | | | Total | No. (a) | As a % of total Shares held | No. (a) | | As a % of total Shares held | Shareholding % of shares under | Shareholding % of shares under |
| | (i) | (ii) | (iii) | (iv) | (v) | (vi) As a % | (vii) | (viii) | (ix) | (x) | (xi) | (xii) | (xiii) | (xiv) | (xv) | (xvi) | (xvii) | (xviii) | (xix) |
| 1 Institutions (Domestic) | | | | | | | | | | | | | | | | | | | |
| (a) Mutual Fund | | | | | | | | | | | | | | | | | | | |
| (b) Venture Capital Funds | | | | | | | | | | | | | | | | | | | |
| (c) Alternative Investment Funds | | | | | | | | | | | | | | | | | | | |
| (d) Banks | | | | | | | | | | | | | | | | | | | |
| (e) Insurance Companies | | | | | | | | | | | | | | | | | | | |
| (f) Provident Funds/ Pension Funds | | | | | | | | | | | | | | | | | | | |
| (g) Asset Reconstruction Companies | | | | | | | | | | | | | | | | | | | |
| (h) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | | |
| (i) NBFCs registered with RBI | | | | | | | | | | | | | | | | | | | |
| (j) Other Financial Institutions | | | | | | | | | | | | | | | | | | | |
| (k) Any Other (Specify) | | | | | | | | | | | | | | | | | | | |
| Sub Total (1)(i) | | | | | | | | | | | | | | | | | | | |
| 2 Institutions (Foreign) | | | | | | | | | | | | | | | | | | | |
| (a) Foreign Direct Investment | | | | | | | | | | | | | | | | | | | |
| (b) Foreign Venture Capital Investors | | | | | | | | | | | | | | | | | | | |
| (c) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investors Category I | | | | | | | | | | | | | | | | | | | |
| (e) Foreign Portfolio Investors Category II | | | | | | | | | | | | | | | | | | | |
| (f) Overseas Depositories (holding DRs) (balancing figure) | | | | | | | | | | | | | | | | | | | |
| (g) Any Other (Specify) | | | | | | | | | | | | | | | | | | | |
| Sub Total (2)(i) | | | | | | | | | | | | | | | | | | | |
| 3 Central Government/State Government(s) | | | | | | | | | | | | | | | | | | | |
| (a) Central Government / Resident of India | | | | | | | | | | | | | | | | | | | |
| (b) State Government / Governor | | | | | | | | | | | | | | | | | | | |
| (c) Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter | | | | | | | | | | | | | | | | | | | |
| Sub Total (3)(i) | | | | | | | | | | | | | | | | | | | |
| 4 Non-Institutions | | | | | | | | | | | | | | | | | | | |
| (a) Associate company/ Subsidiaries | | | | | | | | | | | | | | | | | | | |
| (b) Directors and their relatives (excluding Independent Directors and nominee Directors) | | | | | | | | | | | | | | | | | | | |
| (c) Key Managerial Personnel | | | | | | | | | | | | | | | | | | | |
| (d) Relatives of promoters/other than immediate relatives of promoters/related under 'Promoter and Promoter Group' category | | | | | | | | | | | | | | | | | | | |
| (e) Trusts where any person belonging to 'Promoter and Promoter Group' category is trustee, beneficiary, or author of the trust | | | | | | | | | | | | | | | | | | | |
| (f) Investor Education and Protection Fund (IEPF) | | | | | | | | | | | | | | | | | | | |
| (g) Resident individual holding nominal share capital up to Rs. 2 lakhs | | | | | | | | | | | | | | | | | | | |
| (h) Resident individual holding nominal share capital in excess of Rs. 2 lakhs | | | | | | | | | | | | | | | | | | | |



Kanvas Concepts Private Limited | CIN : U74999KA2020PTC138867

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Kanvas Concepts Private Limited- Post Scheme of Arrangement

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of Securities | | | Shares Underlying Outstanding convertible securities including | ing, as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form | |
|--|----------------------|---|-----------------------------------|--|----------------------------|--|--|-------------|-------|--|--|----------------------------|---------|--|---------|---|---------------------------------|
| | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held (b) | No. (a) | | As a % of total Shares held (b) |
| | | | | | | | Class eq: x | Class eq: y | Total | | | | | | | | |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) = (vii) + (viii) As a | (ix) | (x) | (xi) | (xii) | (xiii) | (xiv) | (xv) | (xvi) | (xvii) | | | |
| 1 Custodian/DR Holder | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefit and Sweat Equity) Regulations, 2021 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| 2 Total Non-Promoter- Non Public Shareholding (C) = (C1)+(C2) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |

Note :

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (XIII) is not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.



Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | |
|----|---|
| 1. | Name of Entity: Kanvas Concepts Private Limited |
| 2. | Class of Security: Equity |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) |
| | a. If under 31(1)(b) then indicate the report for Quarter ending |
| | b. If under 31(1)(c) then indicate date of allotment/extinguishment |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- |

| | Particulars | Yes* | No* |
|---|--|------|-----|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.



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Kanvas Concepts Private Limited- Post Scheme of Arrangement
Table 1 - Summary Statement holding of specified securities

| Category | Category of shareholder | No. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRA, 1957) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including securities) | ing, as a % assuming full conversion of convertible securities | Number of Locked In shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form | |
|----------|--------------------------------|---------------------|---|--|--|------------------------|---|--|-------------|-------|---|--|----------------------------|---------|--|---------|---|---------------------------------|
| | | | | | | | | No. of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held (b) | No. (a) | | As a % of total Shares held (b) |
| | | | | | | | | Class eg: x | Class eg: y | Total | | | | | | | | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) As a % | (IX) | (X) | (XI) | (XII) | (XIII) | (XIV) | (XV) | | | | |
| (A) | Promoter & Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (C) | Non Promoter - Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (C1) | Shares Underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (C2) | Shares Held By Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| | Total | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |



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Kanvas Concepts Private Limited- Post Scheme of Arrangement
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholders | Entity Type | PAN | No. of shares held | | | | No. of shares underlying Depository Receipts | Shareholding % (including AS per SCRR, 1957 As a % of (A+B+C)) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding | Ing. as % securing full conversion of convertible securities | Number of Locked In Shares | | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialized form |
|-------------------------------------|--|-----|--------------------|----|----|----|--|--|--|-------------------------|-------------|-------------------------------|--|-------------------------------------|-------------------------------------|--|---|
| | | | ES | DS | DR | FR | | | Total | Number of Voting Rights | | | | As a % of total Shares (sub-totals) | As a % of total Shares (sub-totals) | | |
| | | | | | | | | | | Class no. 1 | Class no. 2 | | | | | | |
| 1 | Indian | | | | | | | | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | | | | | | | | | | | | | | | | |
| (b) | Central Government / State Government(s) | | | | | | | | | | | | | | | | |
| (c) | Financial Institutions / Banks | | | | | | | | | | | | | | | | |
| (d) | Any Other (specify) | | | | | | | | | | | | | | | | |
| | Sub Total (A(1)) | | | | | | | | | | | | | | | | |
| 2 | Foreign | | | | | | | | | | | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Bodies) | | | | | | | | | | | | | | | | |
| (b) | Government | | | | | | | | | | | | | | | | |
| (c) | Institutions | | | | | | | | | | | | | | | | |
| (d) | Foreign Portfolio Investor | | | | | | | | | | | | | | | | |
| (e) | Any Other (specify) | | | | | | | | | | | | | | | | |
| | Sub Total (A(2)) | | | | | | | | | | | | | | | | |
| | Total Shareholding Of Promoter And Promoter Group (A+B (A(1)+A(2))) | | | | | | | | | | | | | | | | |



Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.
 (1) PAN is not to be displayed on website of Stock Exchange(s)
 (2) The term "encumbrance" has the same meaning as assigned under regulation 28(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

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Kanvas Concepts Private Limited- Post Scheme of Arrangement
Table 10 - Statement showing shareholding pattern of the Public shareholder

| Category & Name of the shareholder | PAN | Nos. of shares held | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. (shares) held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | Shares Underlying Outstanding convertible securities (including Depository Receipts) | Ing. as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in promoter pledged form | Sub-categorization of shares | |
|---|-----|---------------------|---|-----------------------------------|--|--------------------------|---|--|-----------------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|------------------------------|---|
| | | | | | | | | No. of Voting Rights | Total as % of Total Voting Rights | | | No. (a) | As a % of total Shares held (b) | No. (c) | As a % of total Shares held (d) | | | Shareholding (No. of shares) under (category) (i) |
| (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) | (N) | (O) | (P) | (Q) | (R) | (S) | |
| 1. Institutions (Domestic) | | | | | | | | | | | | | | | | | | |
| (a) Mutual Funds | | | | | | | | | | | | | | | | | | |
| (b) Venture Capital Funds | | | | | | | | | | | | | | | | | | |
| (c) Alternative Investment Funds | | | | | | | | | | | | | | | | | | |
| (d) Banks | | | | | | | | | | | | | | | | | | |
| (e) Insurance Companies | | | | | | | | | | | | | | | | | | |
| (f) Provident Funds/ Pension Funds | | | | | | | | | | | | | | | | | | |
| (g) Asset Reconstruction Companies | | | | | | | | | | | | | | | | | | |
| (h) Depository Members | | | | | | | | | | | | | | | | | | |
| (i) NBFCs registered with RBI | | | | | | | | | | | | | | | | | | |
| (j) Other Financial Institutions | | | | | | | | | | | | | | | | | | |
| (k) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| Sub Total (1)(1) | | | | | | | | | | | | | | | | | | |
| 2. Institutions (Foreign) | | | | | | | | | | | | | | | | | | |
| (a) Foreign Direct Investment | | | | | | | | | | | | | | | | | | |
| (b) Foreign Venture Capital Investors | | | | | | | | | | | | | | | | | | |
| (c) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investors Category I | | | | | | | | | | | | | | | | | | |
| (e) Foreign Portfolio Investors Category II | | | | | | | | | | | | | | | | | | |
| (f) Overseas Depositories (holding DRs) (Balancing figure) | | | | | | | | | | | | | | | | | | |
| (g) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| Sub Total (2)(2) | | | | | | | | | | | | | | | | | | |
| 3. Central Government/ State Government(s) | | | | | | | | | | | | | | | | | | |
| (a) Central Government / President of India | | | | | | | | | | | | | | | | | | |
| (b) State Government / Governor | | | | | | | | | | | | | | | | | | |
| (c) Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter | | | | | | | | | | | | | | | | | | |
| Sub Total (3)(3) | | | | | | | | | | | | | | | | | | |
| 4. Non-Institutions | | | | | | | | | | | | | | | | | | |
| (a) Associates companies / Subsidiaries | | | | | | | | | | | | | | | | | | |
| (b) Directors and their relatives (excluding independent directors and nominee directors) (Key Managerial Personnel) | | | | | | | | | | | | | | | | | | |
| (c) Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category) (Promoter and Promoter Group' category) | | | | | | | | | | | | | | | | | | |
| (d) Trusts where any person belonging to Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust' | | | | | | | | | | | | | | | | | | |
| (e) Investor Education and Protection Fund (IETF) | | | | | | | | | | | | | | | | | | |
| (f) Resident Individual holding nominal share capital up to Rs. 2 lakhs. | | | | | | | | | | | | | | | | | | |
| (g) Resident Individual holding nominal share capital in excess of Rs. 2 lakhs. | | | | | | | | | | | | | | | | | | |
| (h) Non-Resident Indians (NRIs) | | | | | | | | | | | | | | | | | | |
| (i) Foreign Nationals | | | | | | | | | | | | | | | | | | |
| (j) Bodies Corporate | | | | | | | | | | | | | | | | | | |



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Kanvas Concepts Private Limited- Post Scheme of Arrangement
Table IV - Statement showing Shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | PAN | Nos. of sharehold-ers | No. of fully paid up equity shares held | Partly paid up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Sharehold- ing % calculated as per SCRR, 1957 As a % of (A+B+C+D) | Number of Voting Rights held in each class of securities | | | Total as a % of (A+B+C) | Shares Underlyin- g Outstanding convertible securities including | No. of Locked in shares | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in demat/ other form | | | |
|--|-----|-----------------------|---|-----------------------------------|--|------------------------|---|--|--------------|-------|-------------------------|--|-------------------------|--|---------|---|---------------------------------|---------|---------------------------------|
| | | | | | | | | No of Voting Rights | | | | | | Total as a % of (A+B+C) | No. (a) | | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) |
| | | | | | | | | Class sp- ec | Class sp- ec | Total | | | | | | | | | |
| 1. Custodian/DH Holder | (i) | (ii) | (iv) | (v) | (vi) | (vii) | (viii) As a % of (A+B+C+D) | (ix) | (x) | (xi) | (xii) | (xiii) | (xiv) | (xv) | (xvi) | (xvii) | | | |
| 2. Employee Benefit Trust / Employee Welfare Trust under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 | | | | | | | | | | | | | | | | | | | |
| Total Non Promoter- Non Public Shareholding (C)-(E) | | | | | | | | | | | | | | | | | | | |



Note
 (i) PAN would not be displayed on website of Stock Exchange(s).
 (ii) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (XIII) is not applicable in the above format.
 (iii) Wherever information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

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Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | |
|----|---|
| 1. | Name of Entity: Kanvas Concepts Private Limited |
| 2. | Class of Security: Equity |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) |
| | a. If under 31(1)(b) then indicate the report for Quarter ending |
| | b. If under 31(1)(c) then indicate date of allotment/extinguishment |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- |

| | Particulars | Yes* | No* |
|---|--|------|-----|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.



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Kanvas Concepts Private Limited- Pre Scheme of Arrangement
Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | No. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRA, 1957) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including securities held by) | Being, as a % of convertible securities (including securities held by) | Number of Locked In Shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form |
|----------|-------------------------------|---------------------|---|--|--|------------------------|---|--|-------------|-------------------------|---|--|----------------------------|---------------------------------|--|---------------------------------|---|
| | | | | | | | | No. of Voting Rights | | Total as a % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| | | | | | | | | Class eg: X | Class eg: Y | | | | | | | | |
| (A) | Promoter & Promoter Group | 1 | 10,000 | - | - | 10,000 | 100 | 10,000 | - | 10,000 | 100 | - | - | - | - | - | - |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C) | Non Promoter - Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (D) | Shares Underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (E) | Shares held By Employee Trust | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total: | 1 | 10,000 | - | - | 10,000 | 100 | 10,000 | - | 10,000 | 100 | - | - | - | - | - | - |



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Kanvas Concepts Private Limited- Pre Scheme of Arrangement
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholders | Entity Type | No. of Shares | | | | | Shareholding % calculated as per SCRR, 1957 As a % of (B+E+C2) X | Number of Voting Rights held in each class of securities | | | Total as a % of Total Voting Rights | Shares Underlying Outstanding convertible securities (including) | ing, as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in demat form |
|--|-------------|---------------|---------------|---|---|---------------|--|--|----------|---------------|-------------------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|--|
| | | A | B | C | D | E | | Class | Category | Total | | | | No. (a) | As a % of total Shares held (b) | No. (c) | As a % of total Shares held (d) | |
| | | | | | | | | | | | | | | | | | | |
| 1 Indian | | | | | | | | | | | | | | | | | | |
| (a) Individuals / Hindu Undivided Family | | | | | | | | | | | | | | | | | | |
| (b) Central Government / State Government(s) | | | | | | | | | | | | | | | | | | |
| (c) Financial Institutions / Banks | | | | | | | | | | | | | | | | | | |
| (d) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| Hudera Corporate | | 1 | 10,000 | | | 10,000 | 100 | 10,000 | | 10,000 | 100 | | | | | | | |
| Karim Enterprise Limited (Along with & Nominee) | Promoters | 1 | 10,000 | | | 10,000 | 100 | 10,000 | | 10,000 | 100 | | | | | | | |
| Sub Total (A)(1) | | 1 | 10,000 | | | 10,000 | 100 | 10,000 | | 10,000 | 100 | | | | | | | |
| 2 Foreign | | | | | | | | | | | | | | | | | | |
| (a) Individuals (Non-Resident Individuals / Foreign Individuals) | | | | | | | | | | | | | | | | | | |
| (b) Government | | | | | | | | | | | | | | | | | | |
| (c) Institutions | | | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investor | | | | | | | | | | | | | | | | | | |
| (e) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| Sub Total (A)(2) | | | | | | | | | | | | | | | | | | |
| Total Shareholding Of Promoter And Promoter Group (A)+(A)(1)+(A)(2) | | 1 | 10,000 | | | 10,000 | 100 | 10,000 | | 10,000 | 100 | | | | | | | |

Details of Shares which remain undelivered may be given here along with details such as number of shareholders, outstanding shares held in demat/undelivered suspense account, voting rights which are frozen etc.



(1) Share amount not be displayed on website of Stock Exchange(s)
 (2) The term 'encumbered' has the same meaning as assigned under regulation 2B(3) of SEH (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

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Kanvas Concepts Private Limited- Pts Scheme of Arrangement
Table III - Statement showing shareholding pattern of the Public shareholder

Table with columns: Category & Name of the shareholders, Nos. of shareholders, No. of fully paid up equity shares held, Partly paid-up equity shares held, No. of shares underlying Depository Receipts, Total nos. shares held, Shareholding % calculated as per NCR, 1952 As a % of (A+B+C), Number of Voting Rights held in each class of securities, Shares Underlying Outstanding, Ing. as a % of convertible securities, Number of Locked in Shares, Number of Shares pledged or otherwise encumbered, Number of equity shares held in dematerialized form, Sub-categorization of shares.

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| | | | | | | | | | | | | | | | | | |
|--|---|---|---|---|---|--------|---|---|---|--------|---|--------|---|--------|----|----|---|
| (ii) Foreign Nationals | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (iii) Foreign Companies | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (iv) Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (v) Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (vi) Body Corp Ltd liability Partnership | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (vii) Hindu Undivided Family | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (viii) Clearing Member | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| Sub Total (i)-(viii) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| Total Public Shareholding (B)* | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (B)/(A)*(100) (C)* | | | | | | | | | | | | | | | | | |

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

| No. of shareholders | No. of Shares | % |
|---------------------|---------------|---|
| 0 | | |

Details of shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

| No. of shareholders | No. of |
|---------------------|--------|
| 0 | |

Note :

- (1) PAN would not be displayed on website of Stock Exchanges).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(XII)(i) not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.
- (4) Categorization and disclosure of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be classified in the (5) Sub-categorization of shares under column no.(IX) will be based on shareholding (no. of shares) under the following sub-categories:
 - (i) Shareholder who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative(i.e. Director) on the board of the listed entity.
 - (ii) Shareholder who have entered into shareholder agreement with the listed entity.
 - (iii) Shareholders acting as persons in concert with promoters.



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Kanvas Concepts Private Limited- Pre Scheme of Arrangement

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | No. of sharehold-ers | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlyin- g Depositor y Receipts | Total nos. shares held | Sharehold- ing % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | Shares Underlyin- g Outstanding convertible securities (including | ing, as a % assuming full conversio- n of convertible securities | Number of Locked In shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in demateriali- zed form | |
|---|----------------------|---|-----------------------------------|---|------------------------|--|--|-------------------------|---------|---|--|--------------------------------|---------|--|-------------|---|-------------|
| | | | | | | | No of Voting Rights | Total as a % of (A+B+C) | No. (a) | | | As a % of total Shares held(b) | No. (a) | As a % of total Shares held(b) | | | |
| | | | | | | | | | | | | | | | Class eg: X | | Class eg: Y |
| 1 | (I) | (II) | (III) | (IV) | (V) | (VI) As a % | (VII) | (VIII) | (IX) | (X) | (XI) | (XII) | (XIII) | (XIV) | (XV) | | |
| Custodian/DR Holder | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2011 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| Total Non-Promoter- Non Public Shareholding (C)= (C1)+(C2) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |

Note:

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(XIII)s not applicable in the above format.

(3) Where the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.



Kanvas Concepts Private Limited | CIN : U74999KA2020PTC138867

N-301, 3rd Floor, North Block, Manipal Centre, Dickenson Road, Bangalore, Bangalore, Karnataka, India 560042.
E-mail : kcpl@de-canvas.com | Website : www.de-canvas.com

Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | |
|----|---|
| 1. | Name of Entity: Kanvas Concepts Private Limited |
| 2. | Class of Security: Equity |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) |
| | a. If under 31(1)(b) then indicate the report for Quarter ending |
| | b. If under 31(1)(c) then indicate date of allotment/extinguishment |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- |

| | Particulars | Yes* | No* |
|---|--|------|-----|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.



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Kanvas Concepts Private Limited- Pra Scheme of Arrangement
Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including securities) | Holding, as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form | |
|----------|-------------------------------|----------------------|---|--|--|------------------------|---|--|-------------|--------|---|--|----------------------------|---------|--|---------|---|---------------------------------|
| | | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total shares held (b) | No. (a) | | As a % of total shares held (b) |
| | | | | | | | | Class eg: X | Class eg: Y | Total | | | | | | | | |
| (A) | Promoter & Promoter Group | 1 | 10,000 | - | - | 10,000 | 100 | 10,000 | - | 10,000 | 100 | - | - | - | - | - | - | |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C) | Non Promoter - Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (D) | Shares Underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (E) | Shares Held By Employee Trust | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Total | | 10,000 | - | - | 10,000 | 100 | 10,000 | - | 10,000 | 100 | - | - | - | - | - | - | |



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Kanvas Concepts Private Limited- Pre Scheme of Arrangement
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholders | Letter Type | PAN | No. of shares held | | Party pack-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % (As per SCRR, 1957 As a % of (A+B+C)) | Number of Voting Rights held in each class of securities | | | Shares held by/ in a Demat account convertible into equity shares (including securities) | ing, as a % of outstanding equity shares | Number of Locked In Shares | | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialized form | | |
|--|-------------|--------|--------------------|--------|----------------------------------|--|------------------------|---|--|-------------|--------|--|--|----------------------------|------------------------------|--|---|---------|------------------------------|
| | | | EQU | PREP | | | | | No. of Voting Rights | | | | | No. (a) | As a % of total (Share held) | | | No. (b) | As a % of total (Share held) |
| | | | | | | | | | Class eq. 1 | Class eq. 2 | Total | | | | | | | | |
| 1 Indian | | | | | | | | | | | | | | | | | | | |
| (a) Individuals / Hindu Undivided Family | | | | | | | | | | | | | | | | | | | |
| (b) Central Government / State Government(s) | | | | | | | | | | | | | | | | | | | |
| (c) Financial Institutions / Banks | | | | | | | | | | | | | | | | | | | |
| (d) Any Other (Specify) | | | | | | | | | | | | | | | | | | | |
| Business Corporate | | | | | | | | | | | | | | | | | | | |
| Public Financial Institution (along with its Account) | Promoters | AMCCGQ | 1 | 10,000 | - | - | 10,000 | 100 | 10,000 | - | 10,000 | 100 | - | 100 | - | - | - | - | |
| Sub Total (A1) | | | 1 | 10,000 | - | - | 10,000 | 100 | 10,000 | - | 10,000 | 100 | - | 100 | - | - | - | - | |
| 2 Foreign | | | | | | | | | | | | | | | | | | | |
| (a) Individuals (Non Resident Individuals / Foreign Individuals) | | | | | | | | | | | | | | | | | | | |
| (b) Government | | | | | | | | | | | | | | | | | | | |
| (c) Institutions | | | | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investor | | | | | | | | | | | | | | | | | | | |
| (e) Any Other (Specify) | | | | | | | | | | | | | | | | | | | |
| Sub Total (A2) | | | | | | | | | | | | | | | | | | | |
| Total Shareholding of Promoter and Promoter Group (A) | | | | | | | | | | | | | | | | | | | |
| (A1)+(A2) | | | 1 | 10,000 | - | - | 10,000 | 100 | 10,000 | - | 10,000 | 100 | - | 100 | - | - | - | - | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note:
 (1) PAN will be displayed on website of Stock Exchange(s)
 (2) For letter 'Non-Resident' has the same meaning as assigned under regulation 2(a)(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



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Kanvas Concepts Private Limited - Pre Scheme of Arrangement
Table II - Statement showing shareholding pattern of the Public shareholder

| Category & Name of the shareholders | No. of shares held | | | | | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C7) | Number of Voting Rights held in each class of securities | | | Revers Underlying % convertible securities (including securities) | No. (a) | As a % of total shares held (b) | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialized form | Sub-categorization of shares | | | | | | | |
|--|--------------------|------|-------|------|-----|--|--|-------------|--------|---|---------|---------------------------------|--|---|-------------------------------------|-----|------|-------|--------|-------|------|-------|
| | (I) | (II) | (III) | (IV) | (V) | | Class eg. 1 | Class eg. 2 | Total | | | | | | Total as a % of Total Voting Rights | (X) | (XI) | (XII) | (XIII) | (XIV) | (XV) | (XVI) |
| | | | | | | | | | | | | | | | | | | | | | | |
| 1 Institutions (Domestic) | | | | | | | | | | | | | | | | | | | | | | |
| (A) Mutual Fund | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (B) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (C) Alternative Investment Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (D) Banks | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (E) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (F) Provident Funds/ Pension Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (G) Asset Reconstruction Companies | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (H) Sovereign Wealth Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (I) NBFC's registered with RBI | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (J) Other Financial Institutions | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (K) Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| Sub Total (B)(1) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| 2 Institutions (Foreign) | | | | | | | | | | | | | | | | | | | | | | |
| (A) Foreign Direct Investment | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (B) Foreign Venture Capital Investors | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (C) Sovereign Wealth Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (D) Foreign Portfolio Investor Category I | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (E) Foreign Portfolio Investor Category II | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (F) Overseas Depositories (including ODR) (balancing figure) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (G) Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| Sub Total (B)(2) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| 3 Central Government/ State Government(s) | | | | | | | | | | | | | | | | | | | | | | |
| (A) Central Government / President of India | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (B) State Government / Governor | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (C) Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| Sub Total (B)(3) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| 4 Non-institutions | | | | | | | | | | | | | | | | | | | | | | |
| (A) Associate companies / Subsidiaries | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (B) Directors and their relatives (excluding Independent Directors and nominee Directors) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (C) Key Managerial Personnel | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (D) Relatives of promoters (other than 'immediate relatives' of promoters disclosed under Promoter and Promoter Group' category) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (E) Trusts where any person belonging to Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust' | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (F) Investor Education and Protection Fund (IEPF) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (G) Resident individual holding nominal share capital up to Rs. 2 lakhs. | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |
| (H) Resident individual holding nominal share capital in excess of Rs. 2 lakhs. | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | | | |



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| | | | | | | | | | | | | | | | | | | |
|-------|--------------------------------------|---|---|---|---|---|--------|---|---|---|--------|---|--------|---|--------|----|----|---|
| (i) | Foreign Nationals | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (ii) | Foreign Companies | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (iii) | Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (iv) | Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (v) | Body Corporate Liability Partnership | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| | Hindu Undivided Family | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| | Classing Member | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| | Sub Total (i)-(v) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| | Total Public Shareholding (i)-(v) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |

Details of the shareholders acting as persons in Concert including their shareholding (No. and %):

| No. of shareholders | No. of Shares | % |
|---------------------|---------------|---|
| 0 | | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

| No. of shareholders | No. of Shares |
|---------------------|---------------|
| 0 | |

Note :

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 2% of shares of the listed entity. Column no.(XII) is not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.
- (4) Categorization and disclosure of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be classified in the (i) category of shares under column no.(VI) will be based on shareholding (no. of shares) under the following sub-categories:
- (i) Shareholder who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative (i.e. Director) on the board of the listed entity.
- (ii) Shareholding which have entered into shareholder agreement with the listed entity.
- (iii) Shareholders acting as persons in concert with promoters.



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Kanvas Concepts Private Limited- Pre Scheme of Arrangement
Table V - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including securities) | ing., as a % assuming full conversion of convertible securities | Number of Locked In Shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form | |
|---|----------------------|---|-----------------------------------|--|------------------------|---|--|-------|-------------------------|---|---|----------------------------|--------------------------------|--|--------------------------------|---|-----|
| | | | | | | | No of Voting Rights | | Total as a % of (A+B+C) | | | No. (a) | As a % of total Shares held(b) | No. (a) | As a % of total Shares held(b) | | |
| | | | | | | | Class #: | Total | | | | | | | | | (X) |
| 1. Custodian/DR holder | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| 2. Total Non-Promoter- Non Public Shareholding (C) = (C1)+(C2) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |

Note:
 (1) PAN would not be displayed on website of Stock Exchange(s).
 (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(XIII) is not applicable in the above format.
 (3) If the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.



| Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 | | | |
|---|---|--|-----|
| 1. | Name of Entity: Komfort Universe Products & Services Limited | | |
| 2. | Class of Security: Equity | | |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) | | |
| | a. | If under 31(1)(b) then Indicate the report for Quarter ending | |
| | b. | If under 31(1)(c) then indicate date of allotment/extinguishment | |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- | | |
| | Particulars | Yes* | No* |
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |
| * If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities. | | | |

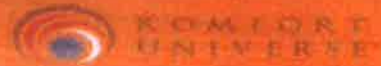




Komfort Universe Products & Services Limited- Pre Scheme of Arrangement
 Table 1 - Summary Statement holding of specified securities

| Category | Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities (including) | Shareholding, as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form | |
|----------|-------------------------------|----------------------|---|--|--|------------------------|---|--|-------------|---------------|---|---|----------------------------|----------|--|----------|---|---------------------------------|
| | | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held (b) | No. (a) | | As a % of total Shares held (b) |
| | | | | | | | | Class eg: X | Class eg: Y | Total | | | | | | | | |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) = (iv)+(v)+(vi) | (viii) As a % of (A+B+C) | (ix) | (x) | (xi) | (xii) | (xiii) | (xiv) | (xv) | (xvi) | (xvii) | | |
| (A) | Promoter & Promoter Group | 1 | 50,000 | - | - | 50,000 | 100 | 50,000 | - | 50,000 | 100 | - | - | - | - | - | - | |
| (B) | Public | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C) | Non Promoter - Non Public | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C1) | Shares Underlying DRs | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C2) | Shares Held By Employee Trust | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Total | 1 | 50,000 | - | - | 50,000 | 100 | 50,000 | - | 50,000 | 100 | - | - | - | - | - | - | |





Komfort Universe Products & Services Limited- Pre Scheme of Arrangement
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholders | Entry Type | No. of shareholder | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCAR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying & Outstanding convertible securities (including convertible securities) | Shareholding, as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form | |
|--|------------|--------------------|---|-----------------------------------|--|------------------------|---|--|----------|-------|--|---|-------------------------------|--------|--|--------|---|--------------------------------|
| | | | | | | | | Class | Class if | Total | | | As a % of Total Voting Rights | No. of | As a % of total Shares held(b) | No. of | | As a % of total Shares held(b) |
| | | | | | | | | | | | | | | | | | | |
| 1 Indian | | | | | | | | | | | | | | | | | | |
| (a) Individuals / Hindu Undivided Family | | | | | | | | | | | | | | | | | | |
| (b) Central Government / State Government(s) | | | | | | | | | | | | | | | | | | |
| (c) Financial Institutions / Banks | | | | | | | | | | | | | | | | | | |
| (d) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| Bodies Corporate | | | | | | | | | | | | | | | | | | |
| Komfort Universe Limited (Along with S Nominated) | Promoters | 1 | 50,000 | | | 50,000 | 100 | 50,000 | 50,000 | 100 | | | | | | | | |
| Sub Total (A)(1) | | 1 | 50,000 | | | 50,000 | 100 | 50,000 | 50,000 | 100 | | | | | | | | |
| 2 Foreign | | | | | | | | | | | | | | | | | | |
| (a) Individuals (Non-Resident Individuals / Foreign Individuals) | | | | | | | | | | | | | | | | | | |
| (b) Government | | | | | | | | | | | | | | | | | | |
| (c) Institutions | | | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investor | | | | | | | | | | | | | | | | | | |
| (e) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| Sub Total (A)(2) | | | | | | | | | | | | | | | | | | |
| Total Shareholding Of Promoter And Promoter Group (A)(3) | | 1 | 50,000 | | | 50,000 | 100 | 50,000 | 50,000 | 100 | | | | | | | | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note :

(1) PAN would not be displayed on website of Stock Exchange(s)

(2) The term 'encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



Komfort Universe Products & Services Limited- Pre Scheme of Arrangement

Table III - Statement showing shareholding pattern of the Public shareholder

| Category & Name of the shareholder | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos shares held | Shareholding % calculated as per SCRR, 1957 As a % of (a+b+c+d) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities (including securities held in conversion) | No. of Shares Locked in | Number of Shares pledged or otherwise encumbered | Number of shares held in dematerialized form | | | Sub-categorization of shares | | | |
|---|----------------------|---|-----------------------------------|--|-----------------------|---|--|----------|-------|---|-------------------------|--|--|---------------------------------|---------|---------------------------------|------------------------|-------------------|--------------------|
| | | | | | | | Class | Classing | Total | | | | No. (a) | As a % of total shares held (b) | No. (c) | As a % of total shares held (d) | Under Sub-category (i) | Sub-category (ii) | Sub-category (iii) |
| | | | | | | | | | | | | | | | | | | | |
| I Investments (Domestic) | | | | | | | | | | | | | | | | | | | |
| (a) Mutual Funds | | | | | | | | | | | | | | | | | | | |
| (a1) Venture Capital Funds | | | | | | | | | | | | | | | | | | | |
| (a2) Alternate Investment Funds | | | | | | | | | | | | | | | | | | | |
| (a3) Banks | | | | | | | | | | | | | | | | | | | |
| (a4) Insurance Companies | | | | | | | | | | | | | | | | | | | |
| (a5) Provident Funds/ Pension Funds | | | | | | | | | | | | | | | | | | | |
| (a6) Asset Reconstruction Companies | | | | | | | | | | | | | | | | | | | |
| (a7) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | | |
| (a8) NBFCs registered with RBI | | | | | | | | | | | | | | | | | | | |
| (a9) Other Financial Institutions | | | | | | | | | | | | | | | | | | | |
| (a10) Any Other (Specify) | | | | | | | | | | | | | | | | | | | |
| Sub Total (I)(1) | | | | | | | | | | | | | | | | | | | |
| II Institutions (Foreign) | | | | | | | | | | | | | | | | | | | |
| (a) Foreign Direct Investment | | | | | | | | | | | | | | | | | | | |
| (a1) Foreign Venture Capital Investors | | | | | | | | | | | | | | | | | | | |
| (a2) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | | |
| (a3) Foreign Portfolio Investors Category I | | | | | | | | | | | | | | | | | | | |
| (a4) Foreign Portfolio Investors Category II | | | | | | | | | | | | | | | | | | | |
| (a5) Overseas Depositories (holding DRs) (balancing sheet) | | | | | | | | | | | | | | | | | | | |
| (a6) Any Other (Specify) | | | | | | | | | | | | | | | | | | | |
| Sub Total (II)(2) | | | | | | | | | | | | | | | | | | | |
| III Central Government/ State Government(s) | | | | | | | | | | | | | | | | | | | |
| (a) Central Government / President of India | | | | | | | | | | | | | | | | | | | |
| (b) State Government / Governor | | | | | | | | | | | | | | | | | | | |
| (c) Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter | | | | | | | | | | | | | | | | | | | |
| Sub Total (III)(3) | | | | | | | | | | | | | | | | | | | |
| IV Non-Institutions | | | | | | | | | | | | | | | | | | | |
| (a) Associate companies / Subsidiaries | | | | | | | | | | | | | | | | | | | |
| (b) Directors and their relatives (including Independent Directors and ad-hoc Directors) | | | | | | | | | | | | | | | | | | | |
| (c) Key Managerial Personnel | | | | | | | | | | | | | | | | | | | |
| (d) Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' Category) | | | | | | | | | | | | | | | | | | | |
| (e) Trusts where any person belonging to 'Promoter and Promoter Group' Category is 'Trustee', 'beneficiary', or 'author of the trust' | | | | | | | | | | | | | | | | | | | |
| (f) Investor Education and Protection Fund (IEPF) | | | | | | | | | | | | | | | | | | | |
| (g) i. Resident individual holding nominal share capital up to Rs. 2 lakhs. | | | | | | | | | | | | | | | | | | | |
| ii. Resident individual holding nominal share capital in excess of Rs. 2 lakhs. | | | | | | | | | | | | | | | | | | | |
| (h) Non Resident Indians (NRI) | | | | | | | | | | | | | | | | | | | |
| (i) Foreign Nationals | | | | | | | | | | | | | | | | | | | |





| | | | | | | | | | | | | | | | | | | |
|-----|--------------------------------------|---|---|---|---|---|--------|---|---|---|--------|---|--------|---|--------|----|----|---|
| (1) | Foreign Companies | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (2) | Indian Corporate | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (3) | Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (4) | Body Corp./Ltd Liability Partnership | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (5) | Hindu Undivided Family | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (6) | Clearing Member | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (7) | Sub Total (8)+(4)+(5)+(6) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (8) | Total Public Shareholding (8)+(7) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

| | |
|---------------------|---------------|
| No. of shareholders | No. of Shares |
| 0 | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

| | |
|---------------------|---------------|
| No. of shareholders | No. of Shares |
| 0 | |

Note :

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(XIII) is not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian category filling first in the order prescribed in the above format. Shareholding under any of the categories shall be unique and will not be duplicated under multiple categories.
- (4) Sub-categorization of shares under column no.(XIV) will be based on shareholding (no. of shares) under the following sub-categories:
- (i) Shareholder who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative (i.e. Director) on the board of the listed entity.
- (ii) Shareholder who have entered into shareholder agreement with the listed entity.
- (iii) Shareholders acting as persons in concert with promoters.





Komfort Universe Products & Services Limited- Pre Scheme of Arrangement

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts held | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding % convertible securities (including | Shareholding, as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in demat/ unlisted form | |
|---|----------------------|---|-----------------------------------|---|------------------------|---|--|----------|-------|--|---|----------------------------|---------|--|---------|--|--------------------------------|
| | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held(b) | No. (a) | | As a % of total Shares held(b) |
| | | | | | | | Class I | Class II | Total | | | | | | | | |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) + (v) | (vii) | (viii) | (ix) | (x) | (xi) | (xii) | (xiii) | (xiv) | (xv) | (xvi) | | |
| 1 Custodian/DR Holder | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| 2 Total Non-Promoter- Non Public Shareholding (C): (CII)+(CIII) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |

Note :

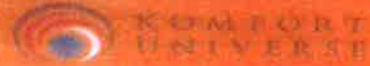
- [1] PAN would not be displayed on website of Stock Exchange(s).
- [2] The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (XII) is not applicable in the above format.
- [3] W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.




Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | | | |
|--|---|--|-----|
| 1. | Name of Entity: Komfort Universe Products & Services Limited | | |
| 2. | Class of Security: Equity | | |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) | | |
| | a. | If under 31(1)(b) then indicate the report for Quarter ending | |
| | b. | If under 31(1)(c) then Indicate date of allotment/extinguishment | |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- | | |
| | Particulars | Yes* | No* |
| 1. | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2. | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3. | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4. | Whether the Listed Entity has any shares in locked-in? | | No |
| 5. | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |
| <p>* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.</p> | | | |

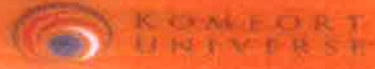




Komfort Universe Products & Services Limited- Pre Scheme of Arrangement
 Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | No. of partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | Nos. of Shares Underlying Outstanding convertible securities (including) | Shareholding, as a % assuming full conversion of convertible securities | Number of Locked In Shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form | |
|----------|-------------------------------|----------------------|---|--|--|------------------------|---|--|-------------------------|---------------|--|---|----------------------------|----------|--|----------|---|--------------------------------|
| | | | | | | | | No. of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held(b) | No. (c) | | As a % of total Shares held(d) |
| | | | | | | | | Class eg. X | Class eg. Y | Total | | | | | | | | |
| (A) | Promoter & Promoter Group | (B) | (C) | (D) | (E) | (F) | (G) As a % of (A+B+C) | (H) | (I) As a % of (A+B+C+H) | (J) | (K) | (L) | (M) | (N) | (O) | | | |
| (A) | Promoter & Promoter Group | 1 | 50,000 | - | - | 50,000 | 100 | 50,000 | - | 50,000 | 100 | - | - | - | - | - | | |
| (B) | Public | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (C) | Non Promoter - Non Public | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (D) | Shares Underlying DRs | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (E) | Shares Held by Employee Trust | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| | Total | 1 | 50,000 | - | - | 50,000 | 100 | 50,000 | - | 50,000 | 100 | - | - | - | - | - | | |





Komfort Universe Products & Services Limited- Pre Scheme of Arrangement
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholders | Entry Type | PAN | No. of Shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Total as a % of Total Voting Rights | Number of Locked In Shares | Number of Shares pledged or otherwise encumbered | Number of equity shares held in demat/physical form |
|---|------------|---------|---------------------|---|-----------------------------------|--|------------------------|--|--|---------------|------------|--|-------------------------------------|----------------------------|--|---|
| | | | | | | | | | No. of Voting Rights | | | | | | | |
| | | | | | | | | | Class eq: 1 | Class eq: 2 | Total | | | | | |
| 1 Indian | | | | | | | | | | | | | | | | |
| (1a) Individuals / Hindu Undivided Family | | | | (IV) | (V) | (VI) | (VII) = (IV)+(V)+(VI) | (VIII) As a % of (A+B+C2) | | | | (IX) | | | | (XIV) |
| (1b) Central Government / State Government(s) | | | | | | | | | | | | | | | | |
| (1c) Financial Institutions / Banks | | | | | | | | | | | | | | | | |
| (1d) Any Other (Specify) | | | | | | | | | | | | | | | | |
| Business Corporate | | | | 1 | 50,000 | | 50,000 | 100 | 50,000 | 50,000 | 100 | | | | | |
| Kanban Enterprise Limited (Along with its Nominee) | Promoters | AALCUSA | | 1 | 50,000 | | 50,000 | 100 | 50,000 | 50,000 | 100 | | | | | |
| Sub Total (A1) | | | | 1 | 50,000 | | 50,000 | 100 | 50,000 | 50,000 | 100 | | | | | |
| 2 Foreign | | | | | | | | | | | | | | | | |
| (2a) Individuals (Non-Resident Individuals / Foreign Individuals) | | | | | | | | | | | | | | | | |
| (2b) Government Institutions | | | | | | | | | | | | | | | | |
| (2c) Foreign Portfolio Investor | | | | | | | | | | | | | | | | |
| (2d) Any Other (Specify) | | | | | | | | | | | | | | | | |
| Sub Total (A2) | | | | | | | | | | | | | | | | |
| Total Shareholding Of Promoter And Promoter Group (A)= (A1)+(A2) | | | | 1 | 50,000 | | 50,000 | 100 | 50,000 | 50,000 | 100 | | | | | |

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note : (1) PAN would not be displayed on website of Stock Exchange(s)
 (2) The term 'Encumbrance' has the same meaning as assigned under regulation 2B(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



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Komfort Universe Products & Services Limited- Pre Scheme of Arrangement
Table III - Statement showing shareholding pattern of the Public shareholder

| Category & Name of the shareholders | No. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % (A+B+C+D) % of (A+B+C+D) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities (including) | Shareholding % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialised form | Sub-categorization of shares | | |
|---|---------------------|---|-----------------------------------|--|------------------------|---|--|-------------------------------------|-------------------------------------|---|---|----------------------------|---------------------------------|--|---|------------------------------|---------------------------------|------------------------------------|
| | | | | | | | No of Voting Rights | Total as a % of Total Voting Rights | Total as a % of Total Voting Rights | | | No. (a) | As a % of total Shares held (b) | | | No. (a) | As a % of total Shares held (b) | Shareholding (No. of shares) under |
| | (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (IX) | (X) | (XI) | (XII) | (XIII) | (XIV) | (XV) | (XVI) | (XVII) | (XVIII) |
| 1 Institutions (Domestic) | | | | | | | | | | | | | | | | | | |
| (a) Mutual Fund | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (b) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (c) Alternative Investment Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (d) Banks | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (e) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (f) Provident Funds/ Pension Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (g) Asset Reconstruction Companies | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (h) Sovereign Wealth Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (i) NBFCs registered with RBI | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (j) Other Financial Institutions | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (k) Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| Sub Total (B)(1) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| 2 Institutions (Foreign) | | | | | | | | | | | | | | | | | | |
| (a) Foreign Direct Investments | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (b) Foreign Venture Capital Investors | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (c) Sovereign Wealth Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (d) Foreign Portfolio Investors Category I | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (e) Foreign Portfolio Investors Category II | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (f) Overseas Depositories (holding DRs) (including Squared) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (g) Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| Sub Total (B)(2) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| 3 Central Government/ State Government(s) | | | | | | | | | | | | | | | | | | |
| (a) Central Government / President of India | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (b) State Government / Governor | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (c) Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| Sub Total (B)(3) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| 4 Non-institutions | | | | | | | | | | | | | | | | | | |
| (a) Associate companies / subsidiaries | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (b) Director and their relatives (excluding Independent Directors and nominee Directors) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (c) Key Managerial Personnel | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (d) Relatives of promoters (other than immediate relatives of promoters disclosed under Promoter and Promoter Group category) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (e) Trusts where any person belonging to Promoter and Promoter Group category is trustee, beneficiary, or holder of the trust | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (f) Investor Education and Protection Fund (IEPF) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (g) Resident individual holding nominal share capital up to Rs. 2 lakhs | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (h) Resident individual holding nominal share capital in excess of Rs. 2 lakhs | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (i) Non Resident Indians (NRIs) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |
| (j) Foreign Nationals | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | |

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| | | | | | | | | | | | | | | | | | | |
|-----|--------------------------------------|---|---|---|---|---|--------|---|---|---|--------|---|--------|---|--------|----|----|---|
| (1) | Foreign Companies | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (2) | Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (3) | Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (4) | Body Corp- Ltd Liability Partnership | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (5) | Hindu Undivided Family | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (6) | Clearing Member | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (7) | Sub Total (8)+(4) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (8) | Total Public Shareholding (8)+(7) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

| | |
|---------------------|---------------|
| No. of shareholders | No. of Shares |
| 0 | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/undelivered suspense account, voting rights which are frozen etc.

| | |
|---------------------|---------------|
| No. of shareholders | No. of Shares |
| 0 | |

Note :

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(XIII) is not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian, category falling first in the order prescribed in the above format. Shareholding under any of the categories shall be unique and will not be duplicated under multiple categories.
- (4) Sub-categorization of shares under column no.(IV) will be based on shareholdings of shares under the following sub-categories:
- (i) Shareholder who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative (i.e. Director) on the board of the listed entity.
- (ii) Shareholder who have entered into shareholder agreement with the listed entity.
- (iii) Shareholders acting as persons in concert with promoters.





Komfort Universe Products & Services Limited- Pre Scheme of Arrangement

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | Nos. of sharehold-ers | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlyin- g Depositor- y Receipts held | Total nos. shares held (III)+(IV)+ (V) | Sharehold- ing % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlyin- g Outstand- ing convertibl- e securities (including | Sharehold- ing, as a % assuming full conversion of convertible securities (VII)+(IX) | Number of Locked in shares | | Number of Shares pledged or otherwise unencumbered | | Number of equity shares held in demateri- alised form | |
|---|-----------------------|---|-----------------------------------|---|--|---|--|----------------|-------|--|--|----------------------------|---------|--|---------|---|---------------------------------|
| | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held (b) | No. (a) | | As a % of total Shares held (b) |
| | | | | | | | Class eq- uity | Class eq- uity | Total | | | | | | | | |
| (I) | (II) | (III) | (IV) | (V) | (VI)+(IV)+ (V) | % of | (VII) | (VIII) | (IX) | (VII)+(IX) | (X) | (XI) | (XII) | (XIII) | (XIV) | | |
| 1 Custodian/DR Holder | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| 2 Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2011 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| Total Non-Promoter- Non Public Shareholding (C)- (C)(I)+(C)(2) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |

Note:

[1] PAN would not be displayed on website of Stock Exchange(s).

[2] The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (XIII) is not applicable in the above format.

[3] Wherever the information pertaining to Depository Receipts, the same may be disclosed to the extent information available.





Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | | | |
|--|---|--|-----|
| 1. | Name of Entity: Komfort Universe Products & Services Limited | | |
| 2. | Class of Security: Equity | | |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) | | |
| | a. | If under 31(1)(b) then indicate the report for Quarter ending | |
| | b. | If under 31(1)(c) then indicate date of allotment/extinguishment | |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- | | |
| | Particulars | Yes* | No* |
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |
| <p>* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.</p> | | | |





Komfort Universe Products & Services Limited- Post Scheme of Arrangement
Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid up equity shares held | No. of shares underlying Depository Records | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities (including securities | Shareholding as a % assuming full conversion of convertible securities | Number of Locked In Shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form |
|----------|-------------------------------|----------------------|---|--|---|------------------------|---|--|-------------|-------|---|--|----------------------------|---------|--|---------|---|
| | | | | | | | | Class eg: x | Class eg: y | Total | | | As a % of (A+B+C) | No. (a) | As a % of total Shares held(b) | No. (a) | |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) = (iv)+(v)+(vi) | (viii) As a % of (A+B+C) | (ix) | | | (x) = (vii)+(x) | (xi) As a % of (A+B+C) | (xii) | (xiii) | (xiv) | (xv) | |
| (A) | Promoter & Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C) | Non Promoter - Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C1) | Shares Underlying Ots | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C2) | Shares Held By Employee Trust | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |





Komfort Universe Products & Services Limited- Post Scheme of Arrangement

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholders | Entity Type | Pos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities (including securities) | Shareholding as a % assuming full conversion of convertible securities | Number of Locked In Shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in demat/allied forms |
|--|-------------|----------------------|---|-----------------------------------|--|------------------------|--|--|----------------|-------|--|--|--|---------|--|---------|--|
| | | | | | | | | Class eg: (i) | Class eg: (ii) | Total | | | As a % of total (Shares held) | No. (a) | As a % of total (Shares held) | No. (b) | |
| | | | | | | (VII) = (IV)+(V) = NA | (VII) As a % of (A+B+C2) | | | | | | (XII) = (VIII)+(IX) As a % of (A+B+C2) | | | | |
| 1 Indian | | | | | | | | | | | | | | | | | |
| (a) Individuals / Hindu Undivided Family | | | | | | | | | | | | | | | | | |
| (b) Central Government / State Government(s) | | | | | | | | | | | | | | | | | |
| (c) Financial Institutions / Banks | | | | | | | | | | | | | | | | | |
| (d) Any Other (Specify) | | | | | | | | | | | | | | | | | |
| Sub Total (A)(1) | | | | | | | | | | | | | | | | | |
| 2 Foreign | | | | | | | | | | | | | | | | | |
| (a) Individuals (Non Resident Individuals / Foreign Individuals) | | | | | | | | | | | | | | | | | |
| (b) Government | | | | | | | | | | | | | | | | | |
| (c) Institutions | | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investor | | | | | | | | | | | | | | | | | |
| (e) Any Other (Specify) | | | | | | | | | | | | | | | | | |
| Sub Total (A)(2) | | | | | | | | | | | | | | | | | |
| Total Shareholding Of Promoter And Promoter Group (A)+(A)(1)+(A)(2) | | | | | | | | | | | | | | | | | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note :

- (1) PAN would not be displayed on website of Stock Exchange(s)
- (2) The term 'Encumbrance' has the same meaning as assigned under regulation 2B(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



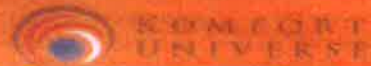


Komfort Universe Products & Services Limited- Post Scheme of Arrangement
 Table III - Statement showing shareholding pattern of the Public shareholder

| Category & Name of the shareholders | No. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SOBL 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities (including | Total as a % of Total Voting Rights | Number of Locked in Shares | | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialized form | Sub-categorization of shares (Shareholding No. of shares) | | | |
|--|---------------------|---|-----------------------------------|--|------------------------|---|--|----------|-------|--|-------------------------------------|----------------------------|---------------------------------|--|---|---|------------------|-------------------|--------------------|
| | | | | | | | No. of Voting Rights | | | | | No. (a) | As a % of total shares held (b) | | | No. (c) | Sub-category (i) | Sub-category (ii) | Sub-category (iii) |
| | | | | | | | Class of | Class of | Total | | | | | | | | | | |
| 1 Institutions (Domestic) | | | | | | | | | | | | | | | | | | | |
| (A) Mutual Fund | | | | | | | | | | | | | | | | | | | |
| (A1) Venture Capital Funds | | | | | | | | | | | | | | | | | | | |
| (A2) Alternate Investment Funds | | | | | | | | | | | | | | | | | | | |
| (A3) Banks | | | | | | | | | | | | | | | | | | | |
| (A4) Insurance Companies | | | | | | | | | | | | | | | | | | | |
| (A5) Provident Funds/ Pension Funds | | | | | | | | | | | | | | | | | | | |
| (A6) Asset Reconstruction Companies | | | | | | | | | | | | | | | | | | | |
| (A7) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | | |
| (A8) FII/ FI registered with SEBI | | | | | | | | | | | | | | | | | | | |
| (A9) Other Financial Institutions | | | | | | | | | | | | | | | | | | | |
| (A10) Any Other (Specify) | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(1) | | | | | | | | | | | | | | | | | | | |
| 2 Institutions (Foreign) | | | | | | | | | | | | | | | | | | | |
| (B) Foreign Direct Investment | | | | | | | | | | | | | | | | | | | |
| (B1) Foreign Venture Capital Investors | | | | | | | | | | | | | | | | | | | |
| (B2) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | | |
| (B3) Foreign Portfolio Investors Category I | | | | | | | | | | | | | | | | | | | |
| (B4) Foreign Portfolio Investors Category II | | | | | | | | | | | | | | | | | | | |
| (B5) Overseas Depositories (holding DRs) (balancing share) | | | | | | | | | | | | | | | | | | | |
| (B6) Any Other (Specify) | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(2) | | | | | | | | | | | | | | | | | | | |
| 3 Central Government/ State Governments | | | | | | | | | | | | | | | | | | | |
| (C) Central Government / President of India | | | | | | | | | | | | | | | | | | | |
| (C1) State Government / Governor | | | | | | | | | | | | | | | | | | | |
| (C2) Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter | | | | | | | | | | | | | | | | | | | |
| Sub Total (C)(1) | | | | | | | | | | | | | | | | | | | |
| 4 Non-Institutions | | | | | | | | | | | | | | | | | | | |
| (D) Associate companies / Subsidiaries | | | | | | | | | | | | | | | | | | | |
| (D1) Directors and their relatives (excluding Independent Directors and non-linear Directors) | | | | | | | | | | | | | | | | | | | |
| (D2) Key Managerial Personnel | | | | | | | | | | | | | | | | | | | |
| (D3) Relatives of promoters [other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category] | | | | | | | | | | | | | | | | | | | |
| (D4) Trusts where any person belonging to 'Promoter and Promoter Group' category is 'Trustee', 'beneficiary', or 'author of the trust' | | | | | | | | | | | | | | | | | | | |
| (D5) Investor Education and Protection Fund (IEPF) | | | | | | | | | | | | | | | | | | | |
| (D6) Resident Individual holding nominal share capital up to Rs. 2 lakhs. | | | | | | | | | | | | | | | | | | | |
| (D7) Non-Resident Individual holding nominal share capital in excess of Rs. 2 lakhs. | | | | | | | | | | | | | | | | | | | |
| (D8) Non-Resident Indians (NRIs) | | | | | | | | | | | | | | | | | | | |
| (D9) Foreign Nationals | | | | | | | | | | | | | | | | | | | |



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| | | II | III | IV | V | VI | VII | VIII | IX | X | XI | XII | XIII | XIV | XV | XVI | XVII | XVIII | XIX | XX | XXI | XXII | XXIII | XXIV | XXV | XXVI | XXVII | XXVIII | XXIX | XXX | XXXI | XXXII | XXXIII | XXXIV | XXXV | XXXVI | XXXVII | XXXVIII | XXXIX | XXXX | XXXXI | XXXXII | XXXXIII | XXXXIV | XXXXV | XXXXVI | XXXXVII | XXXXVIII | XXXXIX | XXXXX | | | | | | | | | |
|-----|--|----|-----|----|---|----|-----|------|----|---|----|-----|------|-----|----|-----|------|-------|-----|----|-----|------|-------|------|-----|------|-------|--------|------|-----|------|-------|--------|-------|------|-------|--------|---------|-------|------|-------|--------|---------|--------|-------|--------|---------|----------|--------|-------|--|--|--|--|--|--|--|--|--|
| (1) | Foreign Companies | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (2) | Indian Companies | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (3) | Any Other (Specify) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Body Corp Ltd Liability Partnership | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Hindu Undivided Family | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Clearing Member | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Sub Total (B)(4) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Total Public Shareholding (B) ^a | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | (B)(1)+(B)(2)+(B)(3)+(B)(4) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

| No. of shareholders | No. of Shares |
|---------------------|---------------|
| 0 | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

| No. of shareholders | No. of Shares |
|---------------------|---------------|
| 0 | 0 |

Note:

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(XIII) is not applicable in the above format.
- (3) Wherever the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian category falling first in the order prescribed in the above format. Shareholding under any of the categories shall be unique and will not be duplicated under multiple categories.
- (4) Sub-categorization of shares under column no.(XXV) will be based on shareholding into, if shares under the following sub-categories:
- (a) Shareholder who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative (i.e. Director) on the board of the listed entity.
- (b) Shareholder who have entered into shareholder agreement with the listed entity.
- (c) Shareholders acting as persons in concert with promoters.





Komfort Universe Products & Services Limited- Post Scheme of Arrangement
Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities (including securities) | Shareholding, as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form | |
|--|----------------------|---|-----------------------------------|--|------------------------|---|--|-------------|-------|--|---|----------------------------|---------|--|---------|---|--------------------------------|
| | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held(b) | No. (a) | | As a % of total Shares held(b) |
| | | | | | | | Class eg: X | Class eg: Y | Total | | | | | | | | |
| 1. Custodian/DR Holder | - | - | - | - | (III)+(IV)+ | % of | - | - | - | (V)+(VI) | - | (VII) | - | - | (VIII) | | |
| Employee Benefit Trust / Employee Welfare Trust under RBM (Share based Employee Benefits and Sweat Equity) Regulations, 2021 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Total Non-Promoter- Non Public Shareholding (C)= (C)+(I)+(II) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |

Note :

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no (KIII) is not applicable in the above format.

(3) Where, the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.




Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. Name of Entity: Komfort Universe Products & Services Limited
2. Class of Security: Equity
3. Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c)
 - a. If under 31(1)(b) then indicate the report for Quarter ending
 - b. If under 31(1)(c) then indicate date of allotment/extinguishment

4. Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-

| | Particulars | Yes* | No* |
|---|--|------|-----|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.





Komfort Universe Products & Services Limited- Post Scheme of Arrangement

Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | No. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculate as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities (including treasury shares) | Shareholding, as a % assuming conversion of convertible securities (No. J) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in demat/ allied form |
|----------|-------------------------------|---------------------|---|--|--|------------------------|--|--|-------------|------------------|---|--|----------------------------|---------------------------------|--|---------------------------------|--|
| | | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | As a % of total Shares held (H) | No. (a) | As a % of total Shares held (b) | |
| | | | | | | | | Class Q2: X | Class eq: y | Total | | | | | | | |
| (I) | | (ii) | (iii) | (iv) | (v) | (vi) = (iii)+(iv)+(v) | (vii) As a % of (A+B+C) | (viii) | (ix) | (x) = (vii)+(ix) | (xi) As a % of (A+B+C) | (xii) | (xiii) | (xiv) | (xv) | (xvi) | |
| (A) | Promoter & Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C) | Non Promoter - Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C1) | Shares Underlying ODRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C2) | Shares held by Employee Trust | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Total | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |





Kornfort Universe Products & Services Limited - Post Scheme of Arrangement

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholders | Entity Type | PAN | No. of shares held | | | | Total no. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities including (VII)(K) As a % of (A+B+C2) | Number of Locked in shares | Number of Shares pledged or otherwise encumbered | Number of equity shares held in demat/record form |
|--|--|-----|---------------------|----------------------------------|-----------------------------------|--|-----------------------|--|--|--------------------------|-------------------------------------|---|----------------------------|--|---|
| | | | No. of shareholders | Fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | | | No. of Voting Rights | | | | | | |
| | | | | | | | | | Class | % of Total Voting Rights | Total as a % of Total Voting Rights | | | | |
| 1 Indian | | | | | | | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | | (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (IX) | (X) | (XI) | (XII) | (XIII) |
| (b) | Central Government / State Government(s) | | | | | | | | | | | | | | |
| (c) | Financial Institutions / Banks | | | | | | | | | | | | | | |
| (d) | Any Other (Specify) | | | | | | | | | | | | | | |
| Sub Total (A1) | | | | | | | | | | | | | | | |
| 2 Foreign | | | | | | | | | | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | | | | | | | | | | | | | | |
| (b) | Government | | | | | | | | | | | | | | |
| (c) | Institutions | | | | | | | | | | | | | | |
| (d) | Foreign Portfolio Investor | | | | | | | | | | | | | | |
| (e) | Any Other (Specify) | | | | | | | | | | | | | | |
| Sub Total (A2) | | | | | | | | | | | | | | | |
| Total Shareholding Of Promoter And Promoter Group (A) - (A1)+(A2) | | | | | | | | | | | | | | | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

- Note:
- (1) PAN would not be displayed on website of Stock Exchange(s)
 - (2) The term 'Securitized' has the same meaning as assigned under regulation 2B(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.





Komfort Universe Products & Services Limited- Post Scheme of Arrangement
Table III - Statement showing shareholding pattern of the Public Shareholder.

| Category & Name of the shareholders | PAN | Nos. of shares held | No. of fully paid up equity shares held | No. of shares held as Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities (including No. of Shares Underlying fall convertible securities) | Number of Locked In Shares | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialized form | Sub-categorization of shares | | | | | |
|---|-----|---------------------|---|---|------------------------|---|--|----------|-------|--|----------------------------|--|---|------------------------------|---------|---------|------------------|-------------------|--------------------|
| | | | | | | | Class | Class of | Total | | | | | No. (A) | No. (B) | No. (C) | Sub-category (i) | Sub-category (ii) | Sub-category (iii) |
| 1. Institutions (Domestic) | | | | | | | | | | | | | | | | | | | |
| (a) Mutual Fund | | | | | | | | | | | | | | | | | | | |
| (b) Venture Capital Funds | | | | | | | | | | | | | | | | | | | |
| (c) Alternative Investment Funds | | | | | | | | | | | | | | | | | | | |
| (d) Banks | | | | | | | | | | | | | | | | | | | |
| (e) Insurance Companies | | | | | | | | | | | | | | | | | | | |
| (f) Provident Funds/ Pension Funds | | | | | | | | | | | | | | | | | | | |
| (g) Asset Reconstruction Companies | | | | | | | | | | | | | | | | | | | |
| (h) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | | |
| (i) NBFCs registered with RBI | | | | | | | | | | | | | | | | | | | |
| (j) Other Financial Institutions | | | | | | | | | | | | | | | | | | | |
| (k) Any Other (Specify) | | | | | | | | | | | | | | | | | | | |
| Sub Total (1) | | | | | | | | | | | | | | | | | | | |
| 2. Institutions (Foreign) | | | | | | | | | | | | | | | | | | | |
| (a) Foreign Direct Investment | | | | | | | | | | | | | | | | | | | |
| (b) Foreign Venture Capital Investors | | | | | | | | | | | | | | | | | | | |
| (c) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investors Category I | | | | | | | | | | | | | | | | | | | |
| (e) Foreign Portfolio Investors Category II | | | | | | | | | | | | | | | | | | | |
| (f) Overseas Depositories (holding DRs) (Balancing Sheet) | | | | | | | | | | | | | | | | | | | |
| (g) Any Other (Specify) | | | | | | | | | | | | | | | | | | | |
| Sub Total (2) | | | | | | | | | | | | | | | | | | | |
| 3. Central Government/ State Government(s) | | | | | | | | | | | | | | | | | | | |
| (a) Central Government / President of India | | | | | | | | | | | | | | | | | | | |
| (b) State Government / Governor | | | | | | | | | | | | | | | | | | | |
| Shareholding by Companies or Bodies Corporate whose Control / State Government is a promoter | | | | | | | | | | | | | | | | | | | |
| Sub Total (3) | | | | | | | | | | | | | | | | | | | |
| 4. Non Resident Indians | | | | | | | | | | | | | | | | | | | |
| (a) Associate companies / Subsidiaries | | | | | | | | | | | | | | | | | | | |
| (b) Director and their relatives (excluding Independent Directors and nominee Directors) | | | | | | | | | | | | | | | | | | | |
| (c) Key Managerial Personnel | | | | | | | | | | | | | | | | | | | |
| (d) Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category) | | | | | | | | | | | | | | | | | | | |
| (e) Trusts where any person belonging to 'Promoter and Promoter Group' category is 'Trustee', 'Beneficiary', or 'Member of the trust' | | | | | | | | | | | | | | | | | | | |
| (f) Investor Education and Protection Fund (IEPF) | | | | | | | | | | | | | | | | | | | |
| (g) Resident Individual holding nominal share capital up to Rs. 2 lakhs. | | | | | | | | | | | | | | | | | | | |
| (h) Resident Individual holding nominal share capital in excess of Rs. 2 lakhs. | | | | | | | | | | | | | | | | | | | |
| (i) Non Resident Indians (NRIs) | | | | | | | | | | | | | | | | | | | |
| (j) Foreign Institutional Investors | | | | | | | | | | | | | | | | | | | |
| (k) Foreign Central Banks | | | | | | | | | | | | | | | | | | | |
| (l) Foreign Companies | | | | | | | | | | | | | | | | | | | |



N-301, North Block, Municipal Centre, Dickenson Road, Bangalore - 560042
CIN: U52520 KA 2021PLC143244
www.komfortuniverse.com



| Sl. No. | Category | No. of Shares | % |
|---------|--------------------------------------|---------------|---|
| 1 | Public Shareholders | | |
| 2 | Any Other (Specify) | | |
| 3 | Body Corporate Liability/Partnership | | |
| 4 | Hindu Undivided Family | | |
| 5 | Clearing Member | | |
| 6 | Sub Total (B)(4) | | |
| 7 | Total Public Shareholding (B) | | |
| 8 | (E)(1)+(B)(7)-(B)(7)(A)(4) | | |

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

| No. of the holders | No. of Shares | % |
|--------------------|---------------|---|
| 0 | | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/undisclosed suspense account, voting rights which are frozen etc.

| No. of shareholders | No. of Shares |
|---------------------|---------------|
| 0 | |

- Note :**
- (1) PAN would not be displayed on website of Stock Exchange(s).
 - (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(B)(7)(c) is not applicable in the above format.
 - (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in 02 respective columns to the extent information available and the balance to be disclosed as held by custodian. First in the order prescribed in the above format. Shareholding under any of the categories shall be unique and will not be duplicated under multiple categories.
 - (4) Sub-categorization of shares under column no.(B)(7) will be based on shareholding(in. of a share) under the following sub-categories:
 - (5) Shareholder who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative(s), a Director(s) on the board of the listed entity.
 - (6) Shareholders who have entered into shareholder agreement with the listed entity.
 - (7) Shareholders acting as persons in concert with promoters.





Komfort Universe Products & Services Limited- Post Scheme of Arrangement
 Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Sl. No. | Category & Name of the shareholders | PAN | Pos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities (including) | Shareholding, as a % assuming full conversion of convertible securities (D1+ (V1)+(V2) As a % of (A+B+C2)) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialized form | |
|---------|--|-----|----------------------|---|-----------------------------------|--|------------------------|--|--|-------------|-------|---|--|----------------------------|---------|--|---|---------------------------------|
| | | | | | | | | | No. of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | | | As a % of total Shares held (b) |
| | | | | | | | | | Class eq. X | Class eq. Y | Total | | | | | | | |
| | | | | | | | (VII) = (IV)+(V)+ (VI) | (VIII) As a % of (A+B+C2) | | | | (IX) = (VII)+(D1) As a % of (A+B+C2) | (X) | (XI) | (XII) | (XIII) | | |
| 1 | Custodian/DH Holder | | | | | | | | | | | | | | | | | |
| | Employee Benefit Trust / Employee Welfare Trust under REI (Share based Employee Benefits and Sweat Equity) Regulator's, 2021 | | | | | | | | | | | | | | | | | |
| 2 | Total Non-Promoter- Non Public Shareholding (C1) = (C11)+(C12) | | | | | | | | | | | | | | | | | |

Notes:
 (1) PAN would not be displayed on website of Stock Exchange(s).
 (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (XII) is not applicable in the above format.
 (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.




Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | |
|----|---|
| 1. | Name of Entity: Starship Value Chain and Manufacturing Private Limited |
| 2. | Class of Security: Equity |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) |
| | a. If under 31(1)(b) then Indicate the report for Quarter ending |
| | b. If under 31(1)(c) then indicate date of allotment/extinguishment |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- |

| | Particulars | Yes* | No* |
|---|--|------|-----|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

Ashish Kaddan


STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED

Regd. & Corporate Office: N-301, North Block, Manipal Centre, 47 Dickenson Road, Bangalore -560 042, Karnataka, India.
Email: info@starshipglobal.com | URL: starshipglobal.com | CIN: U36900KA2020PTC139535



Starship Value Chain and Manufacturing Private Limited- Post Scheme of Arrangement
Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including securities) | ing, as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form | |
|----------|-------------------------------|----------------------|---|--|--|------------------------|---|--|-------------|-------|---|--|----------------------------|---------|--|---------|---|--------------------------------|
| | | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held(b) | No. (a) | | As a % of total Shares held(b) |
| | | | | | | | | Class ag: X | Class ag: Y | Total | | | | | | | | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) = | (VIII) As a | (IX) | (X) | (XI)= | (XII) | (XIII) | (XIV) | (XV) | (XVI) | (XVII) | (XVIII) | |
| (A) | Promoter & Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C) | Non Promoter - Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C1) | Shares Underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C2) | Shares Held by Employee Trust | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Total | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |

Ashish Reddy



Starship Value Chain and Manufacturing Private Limited- Post Scheme of Arrangement
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholders | Entity Type | PAN | No. of Shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (Sub-C2) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including securities convertible into equity shares) | Number of Locked In Shares | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form | | |
|--|-------------|-----|---------------------|---|-----------------------------------|--|------------------------|--|--|-------------|-------------------------------------|--|----------------------------|--|---------------------------------|---|---------|---------------------------------|
| | | | | | | | | | No of Voting Rights | | Total as a % of Total Voting Rights | | | No. (a) | As a % of total Shares held (b) | | No. (c) | As a % of total Shares held (d) |
| | | | | | | | | | Class eg: X | Class eg: Y | | | | | | | | |
| (I) | | | (II) | (III) | (IV) | (V) | (VI) | (VII) As a % | (VIII) | (IX) | (X) | (XI) | (XII) | (XIII) | (XIV) | (XV) | | |
| 1 Indian | | | | | | | | | | | | | | | | | | |
| (A) Individuals / Hindu Undivided Family | | | | | | | | | | | | | | | | | | |
| (B) Central Government / State Government(s) | | | | | | | | | | | | | | | | | | |
| (C) Financial Institutions / Banks | | | | | | | | | | | | | | | | | | |
| (D) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| Sub Total (A1) | | | | | | | | | | | | | | | | | | |
| 2 Foreign | | | | | | | | | | | | | | | | | | |
| (a) Individuals (Non-Resident Individuals / Foreign Individuals) | | | | | | | | | | | | | | | | | | |
| (b) Government | | | | | | | | | | | | | | | | | | |
| (c) Institutions | | | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investor | | | | | | | | | | | | | | | | | | |
| (e) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| Sub Total (A2) | | | | | | | | | | | | | | | | | | |
| Total Shareholding Of Promoter And Promoter Group (A)-(A1)+(A2) | | | | | | | | | | | | | | | | | | |

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note :
 (1) PAN would not be displayed on website of Stock Exchange(s)
 (2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Adrian Reddy



Starship Value Chain and Manufacturing Private Limited- Post Scheme of Arrangement
Table III - Statement showing shareholding pattern of the Public shareholder

| Category & Name of the shareholders | PAN | No. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % (calculated as per SCRR, 1957 As a % of (A+B+C2)) | Number of Voting Rights held in each class of securities | | | Shares Underlying & Outstanding, as a % including full conversion of convertible securities (including | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialized form | Sub-categorization of shares | | | |
|-------------------------------------|-----|---------------------|---|-----------------------------------|--|------------------------|--|--|-------------|-------------------------------------|--|----------------------------|--------------------------------|--|---|------------------------------------|-------------------|--------------------|--|
| | | | | | | | | No of Voting Rights | | Total as a % of Total Voting Rights | | No. (A) | As a % of total Shares held(B) | | | Shareholding (No. of shares) under | | | |
| | | | | | | | | Class eg. K | Class eg. L | | | | | | | Sub-category (i) | Sub-category (ii) | Sub-category (iii) | |
| | | | | | | | | | | | | | | | | | | | |
| 1 | | | | | | | | | | | | | | | | | | | |
| (a) | | | | | | | | | | | | | | | | | | | |
| (b) | | | | | | | | | | | | | | | | | | | |
| (c) | | | | | | | | | | | | | | | | | | | |
| (d) | | | | | | | | | | | | | | | | | | | |
| (e) | | | | | | | | | | | | | | | | | | | |
| (f) | | | | | | | | | | | | | | | | | | | |
| (g) | | | | | | | | | | | | | | | | | | | |
| (h) | | | | | | | | | | | | | | | | | | | |
| (i) | | | | | | | | | | | | | | | | | | | |
| (j) | | | | | | | | | | | | | | | | | | | |
| (k) | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(1) | | | | | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | | | | | |
| (a) | | | | | | | | | | | | | | | | | | | |
| (b) | | | | | | | | | | | | | | | | | | | |
| (c) | | | | | | | | | | | | | | | | | | | |
| (d) | | | | | | | | | | | | | | | | | | | |
| (e) | | | | | | | | | | | | | | | | | | | |
| (f) | | | | | | | | | | | | | | | | | | | |
| (g) | | | | | | | | | | | | | | | | | | | |
| (h) | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(2) | | | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | | |
| (a) | | | | | | | | | | | | | | | | | | | |
| (b) | | | | | | | | | | | | | | | | | | | |
| (c) | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(3) | | | | | | | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | | | | | | | |

STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED

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Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

| No. of shareholders | No. of Shares |
|---------------------|---------------|
| 0 | 0 |

Note:

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(XIII) is not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.
- (4) Categorization and disclosure of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be classified in the category falling first.
- (5) Sub-categorization of shares under column no (IV) will be based on shareholding (no. of shares) under the following sub-categories:
 - (i) Shareholder who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative (i.e. Director) on the board of the listed entity.
 - (ii) Shareholders acting as persons in concert with promoters.

Ashish Khandekar



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Starship Value Chain and Manufacturing Private Limited- Post Scheme of Arrangement
Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | PAN | Nos. of sharehold-ers | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlyin- g Depositor y Receipts | Total nos. shares held | Sharehold- ing % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | Shares Underlyin- g Outstanding convertible securities (Including Securities) | ing, as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in demateriali- zed form | |
|---|------|-----------------------|---|-----------------------------------|---|------------------------|--|--|-------------|-------|---|--|----------------------------|---------|--|---------|---|--------------------------------|
| | | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held(b) | No. (a) | | As a % of total Shares held(b) |
| | | | | | | | | Class eg: X | Class eg: Y | Total | | | | | | | | |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) * | (viii) As a % of (A+B+C2) | (ix) | (x) | (xi) | (xii) | (xiii) | (xiv) | (xv) | (xvi) | (xvii) | | |
| 1. Custodian/DIP Holder | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Non-Promoter- Non Public Shareholding (C)= (C1)+(C2) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |

Asish Kundan

Note :
 (1) PAN would not be displayed on website of Stock Exchange(s).
 (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (XIII) is not applicable in the above format.
 (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.



Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | |
|----|---|
| 1. | Name of Entity: Starship Value Chain and Manufacturing Private Limited |
| 2. | Class of Security: Equity |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) |
| | a. [if under 31(1)(b) then indicate the report for Quarter ending |
| | b. [if under 31(1)(c) then indicate date of allotment/extinguishment |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- |

| | Particulars | Yes* | No* |
|---|--|------|-----|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

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Starship Value Chain and Manufacturing Private Limited- Post Scheme of Arrangement
Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | No. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including securities) | ing, as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form | |
|----------|-------------------------------|---------------------|---|--|--|------------------------|---|--|-------------|-------|---|--|----------------------------|---------|--|---------|---|--------------------------------|
| | | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held(B) | No. (a) | | As a % of total Shares held(B) |
| | | | | | | | | Class eg: K | Class eg: Y | Total | | | | | | | | |
| (A) | Promoter & Promoter Group | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C) | Non Promoter - Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C1) | Shares Underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C2) | Shares Held By Employee Trust | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Total | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | |

Ashish Kadhan



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Starship Value Chain and Manufacturing Private Limited- Post Scheme of Arrangement
 Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholders | Entity Type | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including convertible securities) | ing, as a % assuming full conversion of convertible securities | Number of Locked In shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form | |
|---|-------------|----------------------|---|-----------------------------------|--|------------------------|--|--|-------------|-------|---|--|-------------------------------------|---------|--|---------|---|--------------------------------|
| | | | | | | | | Class eq: x | Class eq: y | Total | | | Total as a % of Total Voting Rights | No. (a) | As a % of total Shares held(b) | No. (a) | | As a % of total Shares held(b) |
| (i) | | (ii) | (iii) | (iv) | (v) | (vi) | (vii) As a % of (A+B+C2) | (viii) | | | (ix) | (x) | (xi) | (xii) | (xiii) | (xiv) | (xv) | |
| 1 Indian | | | | | | | | | | | | | | | | | | |
| (a) Individuals / Hindu Undivided Family | | | | | | | | | | | | | | | | | | |
| (b) Central Government / State Government(s) | | | | | | | | | | | | | | | | | | |
| (c) Financial Institutions / Banks | | | | | | | | | | | | | | | | | | |
| (d) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| Bodies Corporate | | | | | | | | | | | | | | | | | | |
| Norton Enterprise Limited | | | | | | | | | | | | | | | | | | |
| Sub Total (A)(1) | | | | | | | | | | | | | | | | | | |
| 2 Foreign | | | | | | | | | | | | | | | | | | |
| (a) Individuals (Non-Resident Individuals / Foreign Individuals) | | | | | | | | | | | | | | | | | | |
| (b) Government | | | | | | | | | | | | | | | | | | |
| (c) Institutions | | | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investor | | | | | | | | | | | | | | | | | | |
| (e) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| Sub Total (A)(2) | | | | | | | | | | | | | | | | | | |
| Total Shareholding Of Promoter And Promoter Group (A)-(A)(1)+(A)(2) | | | | | | | | | | | | | | | | | | |

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Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Ashish Keshavn



Notes :
(1) PAN would not be displayed on website of Stock Exchange(s)
(2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

GENERATED ON :21/03/2024 NSDL : 15/03/2024 CDSL : 15/03/2024



Starship Value Chain and Manufacturing Private Limited- Post Scheme of Arrangement
 Table III - Statement showing shareholding pattern of the Public shareholder

| Category & Name of the shareholders | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including | Fig., as a % assuming full conversion of convertible securities | Number of Locked In shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form | Sub-categorization of shares | | |
|--|----------------------|---|-----------------------------------|--|------------------------|--|--|-------------|-------------------------------------|---|---|----------------------------|--------------------------------|--|--------------------------------|---|-----------------------------------|-----------------|------------------|
| | | | | | | | No of Voting Rights | | Total as a % of Total Voting Rights | | | No. (a) | As a % of total shares held(b) | No. (a) | As a % of total shares held(b) | | Shareholding(No. of shares) under | Sub-category(i) | Sub-category(ii) |
| | | | | | | | Class eg: X | Class eg: y | | | | | | | | | | | |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) As a % of (A+B+C2) | (viii) X | (viii) y | (viii) Total | (ix) | (x) | (xi) | (xii) | (xiii) | (xiv) | (xv) | (xvi) | (xvii) | |
| 1 Institutions (Domestic) | | | | | | | | | | | | | | | | | | | |
| (a) Mutual Fund | | | | | | | | | | | | | | | | | | | |
| (b) Venture Capital Funds | | | | | | | | | | | | | | | | | | | |
| (c) Alternate Investment Funds | | | | | | | | | | | | | | | | | | | |
| (d) Banks | | | | | | | | | | | | | | | | | | | |
| (e) Insurance Companies | | | | | | | | | | | | | | | | | | | |
| (f) Provident Funds/ Pension Funds | | | | | | | | | | | | | | | | | | | |
| (g) Asset Reconstruction Companies | | | | | | | | | | | | | | | | | | | |
| (h) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | | |
| (i) NBFCs registered with RBI | | | | | | | | | | | | | | | | | | | |
| (j) Other financial institutions | | | | | | | | | | | | | | | | | | | |
| (k) Any Other (Specify) | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(1) | | | | | | | | | | | | | | | | | | | |
| 2 Institutions (Foreign) | | | | | | | | | | | | | | | | | | | |
| (a) Foreign Direct Investment | | | | | | | | | | | | | | | | | | | |
| (b) Foreign Venture Capital Investors | | | | | | | | | | | | | | | | | | | |
| (c) Sovereign Wealth Funds | | | | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investors Category I | | | | | | | | | | | | | | | | | | | |
| (e) Foreign Portfolio Investors Category II | | | | | | | | | | | | | | | | | | | |
| (f) Overseas Depositories(holding DRs) (balancing Rupee) | | | | | | | | | | | | | | | | | | | |
| (g) Any Other (Specify) | | | | | | | | | | | | | | | | | | | |
| Sub Total (B)(2) | | | | | | | | | | | | | | | | | | | |
| 3 Central Government/ State Government(s) | | | | | | | | | | | | | | | | | | | |
| (a) Central Government / President of India | | | | | | | | | | | | | | | | | | | |
| (b) State Government / Governor | | | | | | | | | | | | | | | | | | | |
| (c) Shareholding by Companies or Bodies Corporate where Central / State Government is promoter | | | | | | | | | | | | | | | | | | | |

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| | | | | | | | | | | | | | | | | | | | | |
|-----|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | Sub Total (WE2) | | | | | | | | | | | | | | | | | | | |
| 4 | Non-Institutions | | | | | | | | | | | | | | | | | | | |
| (a) | Associate companies / Subsidiaries | | | | | | | | | | | | | | | | | | | |
| (b) | Directors and their relatives (excluding Independent Directors and nominee Directors) | | | | | | | | | | | | | | | | | | | |
| (c) | Key Managerial Personnel | | | | | | | | | | | | | | | | | | | |
| (d) | Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category) | | | | | | | | | | | | | | | | | | | |
| (e) | Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust' | | | | | | | | | | | | | | | | | | | |
| (f) | Investor Education and Protection Fund (IEPF) | | | | | | | | | | | | | | | | | | | |
| (g) | i. Resident individual holding nominal share capital up to Rs. 2 lakhs. | | | | | | | | | | | | | | | | | | | |
| (h) | ii. Resident individual holding nominal share capital in excess of Rs. 2 lakhs. | | | | | | | | | | | | | | | | | | | |
| (i) | Non Resident Indians (NRIs) | | | | | | | | | | | | | | | | | | | |
| (j) | Foreign Nationals | | | | | | | | | | | | | | | | | | | |
| (k) | Foreign Companies | | | | | | | | | | | | | | | | | | | |
| (l) | Bodies Corporate | | | | | | | | | | | | | | | | | | | |
| (m) | Any Other (Specify) | | | | | | | | | | | | | | | | | | | |
| | Body Corp- Ltd Liability Partnership | | | | | | | | | | | | | | | | | | | |
| | Hindu Undivided Family | | | | | | | | | | | | | | | | | | | |
| | Clearing Member | | | | | | | | | | | | | | | | | | | |
| | Sub Total (WE4) | | | | | | | | | | | | | | | | | | | |
| | Total Public Shareholding (W)- (WE1)-(WE2)-(WE3)-(WE4) | | | | | | | | | | | | | | | | | | | |



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Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

| No. of shareholders | No. of Sha | % |
|---------------------|------------|---|
| 0 | | |

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

| No. of shareholders | No. of |
|---------------------|--------|
| 0 | 0 |

Note:

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(XII) is not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.
- (4) Categorization and disclosure of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be classified in (5) Sub-categorization of shares under column no.(XV) will be based on shareholding (no. of shares) under the following sub-categories:
 - (i) Shareholder who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative (i.e. Director) on the board of the listed entity.
 - (ii) Shareholder who have entered into shareholder agreement with the listed entity.
 - (iii) Shareholders acting as persons in concert with promoters.

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Starship Value Chain and Manufacturing Private Limited- Post Scheme of Arrangement
Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | Nos. of shares held | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including securities) | ing, as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in (dematerial) allied form | |
|-------------------------------------|---|---|-----------------------------------|--|------------------------|--|--|-------------|-------|---|--|----------------------------|---------|--|---------|--|---------------------------------|
| | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held (b) | No. (a) | | As a % of total Shares held (b) |
| | | | | | | | Class | Class eg: y | Total | | | | | | | | |
| 1 | Custodian/DR Holder | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 2 | Total Non Promoter- Non Public Shareholding (C)+(C1)+(C2) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |

Note :

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(XIII) is not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

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Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | |
|----|---|
| 1. | Name of Entity: Starship Value Chain and Manufacturing Private Limited |
| 2. | Class of Security: Equity |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) |
| | a. If under 31(1)(b) then indicate the report for Quarter ending |
| | b. If under 31(1)(c) then indicate date of allotment/extinguishment |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- |

| | Particulars | Yes* | No* |
|---|--|------|-----|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

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Starship Value Chain and Manufacturing Private Limited- Pre Scheme of Arrangement
Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | No. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total no. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including | ding, as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form | |
|----------|-------------------------------|---------------------|---|--|--|-----------------------|---|--|-------------|-------|---|---|----------------------------|---------|--|---------|---|--------------------------------|
| | | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held(b) | No. (a) | | As a % of total Shares held(b) |
| | | | | | | | | Class eq. K | Class eq. y | Total | | | | | | | | |
| (I) | Promoter & Promoter Group | 1 | 5,000 | - | - | 5,000 | 100 | 5,000 | - | 5,000 | 100 | - | - | - | - | - | 5,000 | |
| (II) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C) | Non Promoter - Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C1) | Shares Underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C2) | Shares Held By Employee Trust | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Total | 1 | 5,000 | - | - | 5,000 | 100 | 5,000 | - | 5,000 | 100 | - | - | - | - | - | 5,000 | |

Ashish Reddy



STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED

Regd. & Corporate Office: N-301, North Block, Manipal Centre, 47 Dickenson Road, Bangalore -560 042, Karnataka, India.
Email: info@starshipglobal.com | URL: starshipglobal.com | CIN: U36900KA2020PTC139535



Starship Value Chain and Manufacturing Private Limited- Pre Scheme of Arrangement
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholder | Entity Type | PAN | Nos. of Sharehold-ers | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlyin- g Depository Receipts | Total nos. shares held | Sharehold- ing % calculate d as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | Shares Underlyin- g Outstanding convertible securities (including securities) | Fig. as a % assuming full conversion of convertible securities | Number of Locked In shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in demat/ alloted form |
|--|-------------|----------|-----------------------|---|-----------------------------------|--|------------------------|--|--|------------------|-------------------------------------|---|--|----------------------------|--------------------------------|--|--------------------------------|---|
| | | | | | | | | | No. of Voting Rights | | Total as a % of Total Voting Rights | | | No. (a) | As a % of total Shares held(b) | No. (a) | As a % of total Shares held(b) | |
| | | | | | | | | | Classif- ication | Classif- ication | | | | | | | | |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) | (xi) | (xii) | (xiii) | (xiv) | (xv) | (xvi) | (xvii) | (xviii) | |
| 1 Indian | | | | | | | | | | | | | | | | | | |
| (a) Individuals / Hindu Undivided Family | | | | | | | | | | | | | | | | | | |
| (b) Central Government / State Government(s) | | | | | | | | | | | | | | | | | | |
| (c) Financial Institutions / Banks | | | | | | | | | | | | | | | | | | |
| (d) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| Bodies Corporate | | | | | | | | | | | | | | | | | | |
| Kurvan Enterprises Limited (Along with G Narsimha) | Promoters | AAMCKSOI | 1 | 5,000 | - | - | 5,000 | 100 | 5,000 | - | 5,000 | 100 | - | 100 | - | - | - | - |
| Sub Total (A)(1) | | | 1 | 5,000 | - | - | 5,000 | 100 | 5,000 | - | 5,000 | 100 | - | 100 | - | - | - | - |
| 2 Foreign | | | | | | | | | | | | | | | | | | |
| (a) Individuals (Non-Resident Individuals / Foreign Individuals) | | | | | | | | | | | | | | | | | | |
| (b) Government | | | | | | | | | | | | | | | | | | |
| (c) Institutions | | | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investor | | | | | | | | | | | | | | | | | | |
| (e) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| Sub Total (A)(2) | | | | | | | | | | | | | | | | | | |
| Total Shareholding Of Promoter And Promoter Group (A)+(B)(A)(2) | | | 1 | 5,000 | 0 | 0 | 5,000 | 100 | 5,000 | 0 | 5,000 | 100 | - | 100 | - | - | - | - |

Abhinav Reddy



STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED

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Details of Shares which remain unclaimed may be given bear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Ashish Reddy



Note :
(1) PAN would not be displayed on website of Stock Exchange(s)
(2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
GENERATED ON 21/09/2024 NSDL : 15/09/2024 CDSL :15/09/2024

STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED
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Starship Value Chain and Manufacturing Private Limited- Pre Scheme of Arrangement
Table III - Statement showing shareholding pattern of the Public shareholder

| Category & Name of the shareholders | Nos. of shares held | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares under/lying Depositor's Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of [A+B+C+Z] | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding | No. of convertible securities (Including securities) | No. of Locked in shares | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialized form | Sub-categorization of shares under | | | | | | |
|---|---------------------|---|-----------------------------------|--|------------------------|---|--|----------|----------|-------------------------------|--|-------------------------|--|---|-------------------------------------|-----------|---------------------------------|---------|---------------------------------|---------|---------------------------------|
| | | | | | | | No. of Voting Rights | | | | | | | | Total as a % of Total Voting Rights | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) |
| | | | | | | | Class: K | Class: L | Total | | | | | | | | | | | | |
| 1. Institutions (Domestic) | | | | | | | | | | | | | | | | | | | | | |
| (a) Mutual Fund | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (b) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (c) Alternate Investment Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (d) Banks | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (e) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (f) Provident Funds/ Pension Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (g) Asset Reconstruction Companies | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (h) Sovereign Wealth Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (i) NBFCs registered with RBI | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (j) Other Financial Institutions | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (k) Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| Sub Total (B11) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| 2. Institutions (Foreign) | | | | | | | | | | | | | | | | | | | | | |
| (a) Foreign Direct Investment | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (b) Foreign Venture Capital Investors | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (c) Sovereign Wealth Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (d) Foreign Portfolio Investors Category I | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (e) Foreign Portfolio Investors Category II | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (f) Overseas Depositories (holding DRs) (balancing figure) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (g) Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| Sub Total (B12) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| 3. Central Government/ State Government(s) | | | | | | | | | | | | | | | | | | | | | |
| (a) Central Government / President of India | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| (b) State Government / Governor | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter | | | | | | | | | | | | | | | | | | | | | |
| (c) Sub Total (B13) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |
| 4. Non-Institutions | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | | |

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| | | | | | | | | | | | | | | | | | | | | | | |
|------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (k) | Associate companies / Subsidiaries | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (l) | Directors and their relatives (excluding independent Directors and nominee Directors) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (m) | Key Managerial Personnel | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (n) | Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (o) | Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust' | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (p) | Promoter Education and Protection Fund (EPF) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (q) | i. Resident individual holding nominal share capital up to Rs. 2 lakhs. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (r) | ii. Resident individual holding nominal share capital in excess of Rs. 2 lakhs. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (s) | Non Resident Indians (NRIs) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (t) | Foreign Nationals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (u) | Foreign Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (v) | Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (w) | Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (x) | Body Corp-Ltd Liability Partnership | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (y) | Hindu Undivided Family | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (z) | Clearing Member | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (aa) | Sub Total (iii)(4) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (ab) | Total Public Shareholding (iii) (iii)(1)+(iii)(2)+(iii)(3)+(iv) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Ashish Reddy



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Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

| No. of shareholders | No. of Sha | % |
|---------------------|------------|---|
| 0 | | |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

| No. of shareholders | No. of |
|---------------------|--------|
| 0 | 0 |

Notes :-

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(iii) is not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.
- (4) Categorization and disclosure of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be classified in the
- (5) Sub-categorization of shares under column no.(iv) will be based on shareholding (no. of shares) under the following sub-categories:
 - (i) Shareholder who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative (i.e. Director) on the board of the listed entity.
 - (ii) Shareholder who have entered into shareholder agreement with the listed entity.
 - (iii) Shareholders acting as persons in concert with promoters.

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Starship Value Chain and Manufacturing Private Limited- Pre Scheme of Arrangement
Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | Nos. of shares held | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | Shares Underlying & Outstanding convertible securities (Including DD+) | ing, as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form | |
|---|---------------------|---|-----------------------------------|--|------------------------|--|--|-------------|----------|--|--|----------------------------|----------|--|-----------|---|--------------------------------|
| | | | | | | | No. of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held(b) | No. (a) | | As a % of total Shares held(b) |
| | | | | | | | Class eg: K | Class eg: Y | Total | | | | | | | | |
| 1 Custodian/DR Holder | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| Total Non-Promoter- Non Public Shareholding (C)= (C2)+(C3) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |

Note :

- (1) PAN would not be displayed on website of Stock Exchange(s).
(2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (XII) is not applicable in the above format.
(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

Ashish Bandaru



STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED

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Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | |
|----|---|
| 1. | Name of Entity: Starship Value Chain and Manufacturing Private Limited |
| 2. | Class of Security: Equity |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) |
| | a. If under 31(1)(b) then indicate the report for Quarter ending |
| | b. If under 31(1)(c) then indicate date of allotment/extinguishment |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- |

| | Particulars | Yes* | No* |
|---|--|------|-----|
| 1 | Whether the Listed Entity has issued any partly paid up shares? | | No |
| 2 | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| 3 | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| 4 | Whether the Listed Entity has any shares in locked-in? | | No |
| 5 | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

Ashish Kadron


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Starship Value Chain and Manufacturing Private Limited- Pre Scheme of Arrangement
Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | No. of sharehold-ers | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlyin- g Depositor y Receipts | Total nos. shares held | Sharehold- ing as a % of total no. of shares (calculate d as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | Shares Underlyin- g Outstanding convertible securities (including | ding, as a % assuming full conversio n of convertib le securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in demateria lised form | |
|----------|-------------------------------|----------------------|---|--|---|------------------------|--|--|-------------|-------|---|---|----------------------------|---------|--|---------|--|--------------------------------|
| | | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held(b) | No. (c) | | As a % of total Shares held(b) |
| | | | | | | | | Class eg: X | Class eg: y | Total | | | | | | | | |
| (A) | Promoter & Promoter Group | 1 | 5,000 | - | - | 5,000 | 100 | 5,000 | - | 5,000 | 100 | - | 100 | - | - | - | 5,000 | |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | NA | NA | - | |
| (C) | Non Promoter - Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | NA | NA | - | |
| (C1) | Shares Underlying DITs | - | - | - | - | - | - | - | - | - | - | - | - | - | NA | NA | - | |
| (C2) | Shares Held By Employee Trust | - | - | - | - | - | - | - | - | - | - | - | - | - | NA | NA | - | |
| | Total | 1 | 5,000 | - | - | 5,000 | 100 | 5,000 | - | 5,000 | 100 | - | 100 | - | - | - | 5,000 | |

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Starship Value Chain and Manufacturing Private Limited- Pre Scheme of Arrangement
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholders | Entry Type | Nos. of sharehold-ers | No. of fully paid-up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Sharehold- ing % calculate d as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | Shares Underlyin- g and Outstand- ing convertible securities (including | ing, as a assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in demateri- alised form | |
|---|------------|-----------------------|---|-----------------------------------|--|------------------------|--|--|--------------|----------|---|--|-------------------------------------|---------|--|---------|---|---------------------------------|
| | | | | | | | | No of Voting Rights | | | | | Total as a % of Total Voting Rights | No. (a) | As a % of total Shares held (b) | No. (c) | | As a % of total Shares held (d) |
| | | | | | | | | Class eq: X | Class eq: Y | Total | | | | | | | | |
| 1 Indian | | | | | | | | | | | | | | | | | | |
| (a) Individuals / Hindu Undivided Family | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| (b) Central Government / State Government(s) | | | | | | | | | | | | | | | | | | |
| (c) Financial Institutions / Banks | | | | | | | | | | | | | | | | | | |
| (d) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| Baalis Corporate | | | 1 | 5,000 | | | 5,000 | 100 | 5,000 | | 5,000 | 100 | | | | | | |
| Kurian Enterprises Limited (Name with 6 characters) | Promoters | | 1 | 5,000 | | | 5,000 | 100 | 5,000 | | 5,000 | 100 | | | | | | |
| Sub Total (A1) | | | 1 | 5,000 | | | 5,000 | 100 | 5,000 | | 5,000 | 100 | | | | | | |
| 2 Foreign | | | | | | | | | | | | | | | | | | |
| (a) Individuals (Non-Resident Individuals / Foreign Individuals) | | | | | | | | | | | | | | | | | | |
| (b) Government | | | | | | | | | | | | | | | | | | |
| (c) Institutions | | | | | | | | | | | | | | | | | | |
| (d) Foreign Portfolio Investor | | | | | | | | | | | | | | | | | | |
| (e) Any Other (Specify) | | | | | | | | | | | | | | | | | | |
| Sub Total (A2) | | | | | | | | | | | | | | | | | | |
| Total Shareholding Of Promoter And Promoter Group (A)= (A1)+(A2) | | | 1 | 5,000 | 0 | 0 | 5,000 | 100 | 5,000 | 0 | 5,000 | 100 | | | | | | |

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Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Ashish Kundran



Note:

- (1) PAN would not be displayed on website of Stock Exchange(s)
- (2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

GENERATED ON :11/03/2024 NSDL : 15/03/2024 CDSL

STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED
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Starship Value Chain and Manufacturing Private Limited- Pre Scheme of Arrangement
Table III - Statement showing shareholding pattern of the Public shareholder

| Category & Name of the shareholders | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | Shares Underlying & Outstanding | ing, as a % assuming full conversion of convertible securities | Number of Locked in Shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form | Sub-categorization of shares | | | |
|---|----------------------|---|-----------------------------------|--|------------------------|---|--|-------------|--------------|---------------------------------|--|----------------------------|--------------------------------|--|--------------------------------|---|------------------------------|-----------------|------------------|-------------------|
| | | | | | | | Class eg: K | Class eg: L | Total | | | No. (A) | As a % of total Shares held(B) | No. (X) | As a % of total Shares held(B) | | Shareholding No. of shares) | Sub-category(i) | Sub-category(ii) | Sub-category(iii) |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) As a % of (A+B+C) | (viii) K | (viii) L | (viii) Total | (ix) | (x) | (xi) | (xii) | (xiii) | (xiv) | (xv) | (xvi) | (xvii) | (xviii) | (xix) |
| 1 Institutions (Domestic) | | | | | | | | | | | | | | | | | | | | |
| (a) Mutual Fund | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | |
| (b) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | |
| (c) Alternate Investment Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | |
| (d) Banks | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | |
| (e) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | |
| (f) Provident Funds/ Pension Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | |
| (g) Asset Reconstruction Companies | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | |
| (h) Sovereign Wealth Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | |
| (i) NBFCs registered with RBI | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | |
| (j) Other Financial Institutions | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | |
| (k) Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | |
| Sub Total (B)(1) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | |
| 2 Institutions (Foreign) | | | | | | | | | | | | | | | | | | | | |
| (a) Foreign Direct Investment | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | |
| (b) Foreign Venture Capital Investors | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | |
| (c) Sovereign Wealth Funds | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | |
| (d) Foreign Portfolio Investors Category I | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | |
| (e) Foreign Portfolio Investors Category II | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | |
| (f) Overseas Depositories(holding DRs) (balancing figure) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | |
| (g) Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | |
| Sub Total (B)(2) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | |
| 3 Central Government/ State Government(s) | | | | | | | | | | | | | | | | | | | | |
| (a) Central Government / President of India | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | |
| (b) State Government / Governor | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 | | | |

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| Shareholding by Companies or Bodies | | | | | | | | | | | | | | | | | | |
|-------------------------------------|---|---|---|---|---|---|--------|---|---|---|--------|---|--------|---|--------|----|----|---|
| (C) | Corporate where Central / State Government is a promoter | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| | Sub Total (B)(3) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| 4 | Non-Institutions | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (A) | Associate companies / Subsidiaries | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (b) | Directors and their relatives (excluding Independent Directors and nominee Directors) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (C) | Key Managerial Personnel | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (D) | Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (E) | Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust' | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (f) | Investor Education and Protection Fund (IEPF) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (a) | L. Resident individuals holding nominal share capital up to Rs. 2 lakhs. | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (b) | K. Resident individuals holding nominal share capital in excess of Rs. 2 lakhs. | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (1) | Non-Resident Indians (NRIs) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (2) | Foreign Nationals | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (3) | Foreign Companies | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (4) | Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (m) | Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| | Body Corp.-Ltd Liability Partnership | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| | Hindu Undivided Family | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| | Clearing Member | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| | Sub Total (B)(4) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| | Total Public Shareholding (E)= (B)(1)+(B)(2)+(B)(3)+(B)(4) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |

Ashwin Reddy

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

| No. of shareholders | No. of Sha | % |
|---------------------|------------|---|
| 0 | | |

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Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

| No. of shareholders | No. of |
|---------------------|--------|
| 0 | 0 |

Note:

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(XII) is not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.
- (4) Categorization and disclosure of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be classified in (5) Sub-categorization of shares under column no.(XV) will be based on shareholding(no. of shares) under the following sub-categories:
 - (i) Shareholder who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative (i.e. Director) on the board of the listed entity.
 - (ii) Shareholder who have entered into shareholder agreement with the listed entity.
 - (iii) Shareholders acting as persons in concert with promoters.

Ashish Kadam



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Starship Value Chain and Manufacturing Private Limited- Pre Scheme of Arrangement
Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including | ing, as a % assuming full conversion of convertible securities | Number of Locked In shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in demat/aliased form | |
|---|----------------------|---|-----------------------------------|--|------------------------|--|--|-------------|-------|---|--|----------------------------|---------|--|---------|--|--------------------------------|
| | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held(b) | No. (x) | | As a % of total Shares held(b) |
| | | | | | | | Class eg: K | Class eg: Y | Total | | | | | | | | |
| 1 Custodian/DR Holder | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021 | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| Total Non-Promoter- Non Public Shareholding (C)-(C1)+(C2) | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |

Note :

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no.(XII) is not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

Ashish Kulkarni



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Pre and post Amalgamation / Arrangement shareholding pattern

Part A

| Sr | Description | Name of Shareholder | BIL (Transferor Company 1) | | KCPL (Transferor Company 2) | | KRL (Transferor Company 3) | | KUPSL (Transferor Company 4) | | SVC MPL (Transferor Company 5) | |
|-----|---|---------------------------|-------------------------------|-----|--------------------------------|-----|-------------------------------|-----|---------------------------------|-----|-----------------------------------|-----|
| | | | Pre-arrangement | | Pre-arrangement | | Pre-arrangement | | Pre-arrangement | | Pre-arrangement | |
| | | | No. of shares | % | No. of shares | % | No. of shares | % | No. of shares | % | No. of shares | % |
| (A) | Shareholding of Promoter and Promoter Group | | 50,000 | 100 | 10,000 | 100 | 15,266,666 | 100 | 50,000 | 100 | 5,000 | 100 |
| 1 | Indian | | | | | | | | | | | |
| | Individuals/ Hindu Undivided Family | Names of Promoter | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| (b) | Central Government/ State Government(s) | Names | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| (c) | Bodies Corporate | Names | | | | | | | | | | |
| | | Kurlon Enterprise Limited | 50,000 | 100 | 10,000 | 100 | 15,266,666 | 100 | 50,000 | 100 | 5,000 | 100 |

SHEELA FOAM LTD.

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| | | | | | | | | | | | | |
|-----|---|--|--------|-----|--------|-----|------------|-----|--------|-----|-------|-----|
| (d) | Financial Institutions/ Banks | | | | | | | | | | | |
| (e) | Any Others | | | | | | | | | | | |
| | Sub Total(A)(1) | | 50,000 | 100 | 10,000 | 100 | 15,266,666 | 100 | 50,000 | 100 | 5,000 | 100 |
| 2 | Foreign | | | | | | | | | | | |
| (a) | Individuals (Non-Residents Individuals/ Foreign Individuals) | | | | | | | | | | | |
| (b) | Bodies Corporate | | | | | | | | | | | |
| (c) | Institutions | | | | | | | | | | | |
| (d) | Any Others | | | | | | | | | | | |
| | Sub Total(A)(2) | | | | | | | | | | | |
| | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) | | 50,000 | 100 | 10,000 | 100 | 15,266,666 | 100 | 50,000 | 100 | 5,000 | 100 |

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| | | | | | | | | | | | | | |
|-----|---|--|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | |
| (B) | Public shareholding | | - | - | - | - | - | - | - | - | - | - | - |
| 1 | Institutions | | | | | | | | | | | | |
| (a) | Mutual Funds/ UTI | | | | | | | | | | | | |
| (b) | Financial Institutions / Banks | | | | | | | | | | | | |
| (c) | Central Government/ State Government(s) | | | | | | | | | | | | |
| (d) | Venture Capital Funds | | | | | | | | | | | | |
| (e) | Insurance Companies | | | | | | | | | | | | |
| (f) | Foreign Institutional Investors | | | | | | | | | | | | |
| (g) | Foreign Venture Capital Investors | | | | | | | | | | | | |

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| | | | | | | | | | | | | | |
|-----|---|--|---|---|---|---|---|---|---|---|---|---|---|
| (h) | Any Other | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | Sub-Total (B)(1) | | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | | |
| 2 | Non- institutions | | | | | | | | | | | | |
| (a) | Bodies Corporate | | | | | | | | | | | | |
| (b) | Individuals | | | | | | | | | | | | |
| I | Individuals - i. Individual shareholders holding nominal share capital up to Rs 1 lakh | | | | | | | | | | | | |
| II | ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh. | | | | | | | | | | | | |
| (c) | Any Other | | | | | | | | | | | | |

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| | | | | | | | | | | | | |
|-----|--|--|--------|-----|--------|-----|------------|-----|--------|-----|-------|-----|
| | Sub-Total (B)(2) | | | | | | | | | | | |
| (B) | Total Public Shareholding (B) = (B)(1)+(B)(2) | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | TOTAL (A)+(B) | | 50,000 | 100 | 10,000 | 100 | 15,266,666 | 100 | 50,000 | 100 | 5,000 | 100 |
| (C) | Shares held by Custodians and against which DRs have been issued | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | GRAND TOTAL (A)+(B)+(C) | | 50,000 | 100 | 10,000 | 100 | 15,266,666 | 100 | 50,000 | 100 | 5,000 | 100 |

Part B

| | | KEL (Amalgamating Company) | | SFL (Amalgamated Company) | | | | |
|----|-------------|----------------------------|---------------|---------------------------|---------------|------------------|---------------|---|
| | | Pre-arrangement | | Pre-arrangement | | Post-arrangement | | |
| Sr | Description | Name of Shareholder | No. of shares | % | No. of shares | % | No. of shares | % |
| | | | | | | | | |

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| | | | | | | | | |
|-----|--|---------------------------------|-------------------|--------------|--------------------|--------------|--------------------|--------------|
| (A) | Shareholding of Promoter and Promoter Group | | 3,55,45,951 | 97.25 | 7,11,74,174 | 65.48 | 7,11,74,174 | 65.17 |
| 1 | Indian | | | | | | | |
| | Individuals/ Hindu Undivided Family | Names of Promoter | | | | | | |
| | | Rahul Gautam | | | 12418970 | 11.42 | 12418970 | 11.37 |
| | | Namita Gautam | | | 11431758 | 10.52 | 11431758 | 10.47 |
| | | Tushaar Gautam | | | 34172628 | 31.44 | 34172628 | 31.29 |
| (b) | Central Government/ State Government(s) | Names | | | | | | |
| | | | | | | | | |
| (c) | Bodies Corporate | Names | | | | | | |
| | | Sheela Foam Limited | 3,55,45,951 | 97.25 | | | | |
| | | Rangoli Resorts Private Limited | | | 13150818 | 12.10 | 13150818 | 12.04 |
| (d) | Financial Institutions/ Banks | | | | | | | |
| (e) | Any Others | | | | | | | |
| | | | | | | | | |
| | Sub Total(A)(1) | | 35,545,951 | 97.24 | 7,11,74,174 | 65.48 | 7,11,74,174 | 65.17 |
| 2 | Foreign | | | | | | | |
| (a) | Individuals (Non-Residents Individuals/ Foreign Individuals) | | | | 0 | 0 | 0 | 0 |
| | | | | | 0 | 0 | 0 | 0 |
| (b) | Bodies Corporate | | | | 0 | 0 | 0 | 0 |

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| | | | | | | | | |
|------------|---|--|-------------------|--------------|--------------------|--------------|--------------------|--------------|
| (c) | Institutions | | | | 0 | 0 | 0 | 0 |
| (d) | Any Others | | | | 0 | 0 | 0 | 0 |
| | Sub Total(A)(2) | | | | | | | |
| | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) | | 35,545,951 | 97.24 | 7,11,74,174 | 65.48 | 7,11,74,174 | 65.17 |
| (B) | Public shareholding | | 1,006,310 | 2.75 | 37,523,167 | 34.52 | 38045875 | 34.83 |
| 1 | Institutions | | | | | | | |
| (a) | Mutual Funds/ UTI | | | | 23608431 | 21.72 | 23608431 | 21.62 |
| (b) | Financial Institutions / Banks | | | | | | | |
| (c) | Central Government/ State Government(s) | | | | | | | |
| (d) | Venture Capital Funds | | | | | | | |
| (e) | Insurance Companies | | | | 2938808 | 2.70 | 2938808 | 2.69 |
| (f) | Foreign Institutional Investors | | | | 6871252 | 6.32 | 6871252 | 6.29 |
| (g) | Foreign Venture Capital Investors | | | | | | | |
| (h) | Any Other | | 134 | 0.00 | 112766 | 0.10 | 112835 | 0.10 |
| | Sub-Total (B)(1) | | 134 | 0.00 | 3,35,31,257 | 30.85 | 3,35,31,326 | 30.70 |
| 2 | Non-institutions | | | | | | | |
| (a) | Bodies Corporate | | 115770 | 0.32 | 1186859 | 1.09 | 1247046 | 1.14 |
| (b) | Individuals | | 720956 | 1.97 | 2580074 | 2.37 | 2954446 | 2.70 |

SHEELA FOAM LTD.

#14, Sleepwell Tower , Sector 135, Noida- 201301

Ph: Int-91(0)-120-4868400 • Fax: Int-91-(0)-120-4162282, 4162283 • Email: contactus@sheelafoam.com
 Regd. Office: 604 Ashadeep, 9 Hailey Road, New Delhi-110001, India • Ph: Int-91(0)-11-23316875-76
 Toll Free: 1800 103 6664 • www.sleepwellproducts.com • www.sheelafoam.com

CIN-L74899DL1971PLC005679



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| | | | | | | | | |
|------------|--|--|-------------|------|------------------|-------|---------------|-------|
| I | Individuals -i. Individual shareholders holding nominal share capital up to Rs 2 lakh | | 612706 | 1.67 | 2302019 | 2.12 | 2620101 | 2.40 |
| II | ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh. | | 108250 | 0.30 | 278055 | 0.25 | 334345 | 0.30 |
| (c) | Any Other | | 169450 | 0.46 | 224977 | 0.20 | 313057 | 0.29 |
| | Sub-Total (B)(2) | | - | - | 3991910 | 3.67 | 4514549 | 4.13 |
| (B) | Total Public Shareholding (B)= (B)(1)+(B)(2) | | 1,006,310 | 2.75 | 37,523,167 | 34.52 | 380458 75 | 34.83 |
| | TOTAL (A)+(B) | | 3,65,52,261 | 100 | 10,86,97,34 1 | 100 | 1092200 49 | 100 |
| (C) | Shares held by Custodians and against which DRs have been issued | | | | | | | |
| | GRAND TOTAL (A)+(B)+(C) | | 3,65,52,261 | 100 | 10,86,97,34 1 | 100 | 1092200 49 | 100 |

For Sheela Foam Limited

 Authorized Signatory

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Annexure

No. of Shareholders Pre and Post Amalgamation/Arrangement of Belvedere International Limited (Transferor Company 1)

| Category | Pre | Post |
|-----------------------------------|----------|----------|
| A) Promoter | 1 | 0 |
| B) Public | 0 | 0 |
| C) Non-Promoter Non-Public | 0 | 0 |
| C1) Shares underlying DR's | 0 | 0 |
| C2) Shares held by Employee Trust | 0 | 0 |
| Total | 1 | 0 |

No. of Shareholders Pre and Post Amalgamation/Arrangement of Kanvas Concepts Private Limited (Transferor Company 2)

| Category | Pre | Post |
|-----------------------------------|----------|----------|
| A) Promoter | 1 | 0 |
| B) Public | 0 | 0 |
| C) Non-Promoter Non-Public | 0 | 0 |
| C1) Shares underlying DR's | 0 | 0 |
| C2) Shares held by Employee Trust | 0 | 0 |
| Total | 1 | 0 |

No. of Shareholders Pre and Post Amalgamation/Arrangement of Kurlon Retail Limited (Transferor Company 3)

| Category | Pre | Post |
|----------------------------|-----|------|
| A) Promoter | 1 | 0 |
| B) Public | 0 | 0 |
| C) Non-Promoter Non-Public | 0 | 0 |

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| | | |
|-----------------------------------|----------|----------|
| C1) Shares underlying DR's | 0 | 0 |
| C2) Shares held by Employee Trust | 0 | 0 |
| Total | 1 | 0 |

No. of Shareholders Pre and Post Amalgamation/Arrangement of Komfort Universe Products And Services Limited (Transferor Company 4)

| Category | Pre | Post |
|-----------------------------------|----------|----------|
| A) Promoter | 1 | 0 |
| B) Public | 0 | 0 |
| C) Non-Promoter Non-Public | 0 | 0 |
| C1) Shares underlying DR's | 0 | 0 |
| C2) Shares held by Employee Trust | 0 | 0 |
| Total | 1 | 0 |

No. of Shareholders Pre and Post Amalgamation/Arrangement of Starship Value Chain and Manufacturing Private Limited (Transferor Company 5)

| Category | Pre | Post |
|-----------------------------------|----------|----------|
| D) Promoter | 1 | 0 |
| E) Public | 0 | 0 |
| F) Non-Promoter Non-Public | 0 | 0 |
| C1) Shares underlying DR's | 0 | 0 |
| C2) Shares held by Employee Trust | 0 | 0 |
| Total | 1 | 0 |



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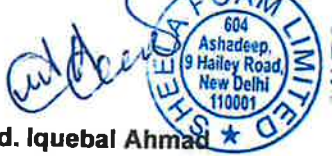
No. of Shareholders Pre and Post Amalgamation/Arrangement of Kurlon Enterprise Limited (Amalgamating Company) as on 29.03.2024

| Category | Pre | Post |
|-----------------------------------|-------------|----------|
| A) Promoter | 1 | 0 |
| B) Public | 1752 | 0 |
| C) Non-Promoter Non-Public | - | 0 |
| C1) Shares underlying DR's | - | 0 |
| C2) Shares held by Employee Trust | - | 0 |
| Total | 1753 | 0 |

No. of Shareholders Pre and Post Amalgamation/Arrangement of Sheela Foam Limited (Amalgamated Company) as on 30.03.2024

| Category | Pre | Post |
|-----------------------------------|--------------|--------------|
| A) Promoter | 4 | 4 |
| B) Public | 39099 | 40827 |
| C) Non-Promoter Non-Public | - | - |
| C1) Shares underlying DR's | - | - |
| C2) Shares held by Employee Trust | - | - |
| Total | 39103 | 40831 |

For Sheela Foam Limited



Md. Iqbal Ahmad
Company Secretary

Date: April 04, 2024

Place: New Delhi

SHEELA FOAM LTD.

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S.P. CHOPRA & CO.
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 'SHEELA FOAM LIMITED'
ON STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of **Sheela Foam Limited** (the "Company"), which comprise the Standalone Balance Sheet as at 31st March, 2021, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021 and total Comprehensive Income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



| Key Audit Matters | Auditor's Response |
|---|--|
| <p><u>Useful lives of Property, Plant & Equipment</u></p> <p>(Refer to Notes 3 and 5 to the standalone financial statements)</p> <p>The property, plant and equipment are depreciated on a pro-rata basis on written down value, over the useful lives of the assets, as estimated by the management. These estimations are based on changes in the expected level of usage, technological developments, level of wear and tear, which involves high degree of the estimation and judgement and could affect the reported residual value and depreciation of the assets. As the value of property, plant and equipment is substantial i.e. Rs. 25,857 lakhs, which is 18.11% of the total assets of the Company, therefore any change in these estimates or actual results could have a substantial impact on the profit/assets in future years and completeness and accuracy of the financial statements.</p> | <p><u>Our Audit Procedure :</u></p> <p>We obtained and evaluated the management's estimations and specifically performed the work as under:</p> <ul style="list-style-type: none"> - Compared the key assumptions, used within the impairments models to the historic performance of the respective group of assets and approved estimates. - Benchmarking the key assumptions, used with in the impairment models and past history of the replacement age etc. and repairs requirements / cost etc. <p><u>Our Results:</u></p> <p>As a result of performance of above procedures, we have not identified any circumstances that would lead to material adjustments to the carrying value of these assets, or change in their useful lives.</p> |
| <p><u>Fair Value measurement of Financial Instruments</u></p> <p>(Refer to Note 39.11 to the standalone financial statements)</p> <p>Fair value of financial assets and financial liabilities have been measured using valuation techniques where the financial instruments are not quoted in active market. The inputs to these techniques / models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility, which involve high degree of the estimation and judgement and could affect the reported fair value of financial instruments.</p> | <p><u>Our Audit Procedure :</u></p> <p>The Company has carried out the valuation of the financial instruments after applying judgments and estimates. We have conducted the verification of the data provided to us by the Company with respect to its correctness and completeness vis-à-vis the financial accounts / records of the Company, and held interaction with the management to understand their process and results and the implementation and usage of valuation techniques / models. This included the review of the controls over adjustments to mitigate model limitations and assumptions.</p> <p><u>Our Results:</u></p> <p>The results of our testing were satisfactory and we considered the fair value of the financial instruments assets and liabilities recognised to be acceptable.</p> |



| <u>Interest in Foreign Subsidiaries</u> | <u>Our Audit Procedure :</u> |
|--|--|
| <p>(Refer to Notes 6 and 39.16 to the standalone financial statements)</p> <p>Global pandemic COVID-19 continued to wreak havoc to the global economy and presently the said pandemic, is re-spreading and is on increasing trend across the globe including India, with various mutating variants, disrupting business throughout the World, and many companies are grappling with the economic slowdown, thus the prevalent financial, economic and health crisis caused due to COVID-19 may impact the Company's assumptions used for the business operations of its foreign subsidiaries located in Spain and Australia, which could further have the impact on the assessment of impairment of investment and exposure of Rs. 36,431 lakhs in these foreign subsidiaries (equity investment of Rs. 13,660 lakhs, unsecured loans of Rs. 4,847 lakhs given to the foreign subsidiaries and SBLCs / financial guarantees of Rs. 17,924 lakhs given to the bank towards guarantee of the loans taken by the subsidiaries).</p> <p>As the said investment / exposure is equivalent to 25.51% of the total assets of the Company, therefore any change in the business projections / estimates and actual results could have a substantial impact on the profit / assets in future year/s and the completeness and accuracy of the financial statements.</p> | <ul style="list-style-type: none"> - Understanding of the assessment of the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used to estimate the future business volume and receipts of these Subsidiaries. - Evaluation of the inputs and assumptions used in the impairment of the assets and management's assessment for the future operations considering the impact of COVID-19, by using current indicators of future economic conditions. - Review of the considerations and conclusion of the independent auditors of Subsidiaries, regarding its ability to continue as going concerns, and obtaining of the further information and explanations from them in this regard. <p><u>Our Results:</u> The results of our testing were satisfactory and we considered the carrying amount of the investment and loans to foreign subsidiaries, and also the assumption that there will be no liability against the SBLCs / financial guarantees issued in their favour, to be acceptable.</p> |

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report and Directors' Report, including annexures thereon, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is



materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2016' ("the Order"), Issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure-'A'**, a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.



- c. the Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d. in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
- e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure-'B'**;
- g. In our opinion, the remuneration paid by the Company to its Directors is in accordance with the provisions of Section 197 of the Companies Act, 2013; and
- h. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 39.1 to the standalone financial statements;
 - ii. The Company has not entered into any long-term contracts including derivative contracts.
 - iii. There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S.P. CHOPRA & CO.
Chartered Accountants
Firm Regn. No. 000346N


(Sanjiv Gupta)
Partner
No. 083364
UDIN: 21083364AAAAAH1278



Place: Noida.
Dated: 29th May, 2021

ANNEXURE-'A' TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1 under `Report on Other Legal and Regulatory Requirements' section of the independent auditors' report of even date on the standalone financial statements of Sheela Foam Limited for the year ended 31st March, 2021)

- (i) In respect of its property, plant and equipments;
- a. The Company has maintained proper records showing full particulars including quantitative details and situation of the property, plant and equipments.
 - b. As explained to us, the property, plant and equipments are physically verified by the management at reasonable intervals, which in our opinion is reasonable, having regard to the size of the Company and nature of its property, plant and equipments. No material discrepancies were noticed on such physical verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note 3 on property, plant and equipments and Note 5 on investment property to the standalone financial statements, are held in the name of the Company.
- (ii) As explained to us, inventories have been physically verified by the management at regular intervals during the year. The discrepancies noticed on such physical verification as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loan to a Subsidiary Company, covered in the Register maintained under Section 189 of the Companies Act, 2013, in respect of which we report that:
- a. The terms and conditions of grant of the said unsecured loan, in our opinion, prima facie, are not prejudicial to the interest of the Company.
 - b. The schedule of repayment of principal and payment of interest has been stipulated, as per which the repayment of principal and interest has not yet fallen due.
 - c. As the repayment of principal and interest has not yet started, the said clause regarding the overdue outstanding is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company in respect of loans, investments, guarantees, and security has complied with the provisions of section 185 and 186 of the Act.
- (v) The Company has not accepted any deposits from the public within the meanings of Sections 73 to 76 of the Act and the rules framed thereunder to the extent notified.
- (vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under sub-section (1) of Section 148 of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



(vii) In respect of statutory dues:

- a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2021 for a period of more than six months from the date they became payable.
- b. The disputed statutory dues aggregating to Rs. 1,391.46 lakhs, that have not been deposited on account of matters pending in appeals before appropriate authorities are as under:

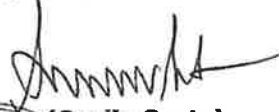
| Name of the Statute | Nature of the dues | Amount (Rs. in lakhs) | Period to which the amount relates | Forum where dispute is pending |
|---|--------------------|-----------------------|------------------------------------|---|
| Central Excise Act, 1944 | Excise duty | 123.85 | 2011-13 | Central Excise and Service Tax Appellate Tribunal |
| | | 232.03 | Feb, 2017 to June, 2017 | The Commissioner (Appeal), Central Excise and Service Tax |
| | | 14.79 | 2012-13 | The Commissioner (Appeal), Central Excise and Service Tax |
| Central Sales Tax and Sales Tax Act of various states | Sales Tax | 319.00 | 1999-2000 | The Hon'ble High Court |
| | | 128.98 | 2012-13 | Sales Tax Appellate Tribunal, West Bengal |
| | Entry Tax | 28.87 | 2012-14 | The Hon'ble Supreme Court |
| | | 107.51 | 2014-15 to 2017-18 | The Hon'ble Supreme Court |
| | | 28.86 | 2001-12 | The Hon'ble High Court |
| Income Tax Act, 1961 | Income Tax | 8.45 | 2004-05 | The Commissioner of Income Tax (Appeals) |
| | | 399.12 | 2013-14 | Delhi High Court |

- (viii) Based on the audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution, banks and Government.
- (ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or fraud on the Company by its officers / employees has been noticed or reported during the course of our audit.



- (xi) The managerial remuneration paid / provided is within the limit and in compliance of the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company hence the requirement of this clause is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable. The details of such transactions have been disclosed in the standalone financial statements, as required by the Ind AS 24 - Related Party Disclosures.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with Directors or persons connected with them.
- (xvi) As explained to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For S. P. Chopra & Co.
Chartered Accountants
Firm Regn. No. 000346N



(Sanjiv Gupta)
Partner
No. 083364



Place : Noida
Dated : 29th May, 2021

ANNEXURE-'B' TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of the independent auditors' report of even date on the standalone financial statements of Sheela Foam Limited for the year ended 31st March, 2021)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Sheela Foam Limited** ("the Company") as of 31st March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion


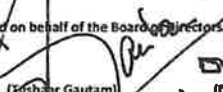
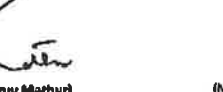
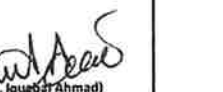
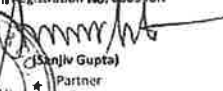
In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Noida
Dated : 29th May, 2021

For S.P. CHOPRA & CO.
Chartered Accountants
Firm Regn. No. 1000346N


(Sanjiv Gupta)
Partner
No. 083364



| SHEELA FOAM LIMITED | | | |
|---|--|---|---|
| STANDALONE BALANCE SHEET AS AT 31st MARCH, 2021 | | | |
| (Rs. in Lakhs) | | | |
| Particulars | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, Plant and Equipment | 3 | 25,355.39 | 25,416.12 |
| Capital work in progress | 3 | 117.06 | 1,652.58 |
| Right-of-use Assets | 4 | 2,014.90 | 2,111.81 |
| Investment Property | 5 | 384.44 | 365.10 |
| Investments in Subsidiaries | 6 | 21,371.45 | 21,372.47 |
| Financial Assets | | | |
| - Investments | 7 | 30,359.99 | 1,183.32 |
| - Loans | 8 | 5,067.75 | 4,844.81 |
| - Other non-current financial assets | 9 | 5.79 | 31.61 |
| Non-current tax assets (net) | 10 | 32.41 | 964.40 |
| Other non-current assets | 11 | 264.38 | 134.21 |
| | | 84,973.64 | 58,076.43 |
| Current assets | | | |
| Inventories | 12 | 22,831.92 | 16,517.51 |
| Financial Assets | | | |
| - Investments | 13 | 10,600.33 | 21,791.76 |
| - Trade receivables | 14 | 18,304.60 | 12,640.27 |
| - Cash and cash equivalents | 15 | 3,503.54 | 2,889.45 |
| - Bank balances other than cash and cash equivalents | 16 | 47.63 | 25.65 |
| - Loans | 17 | 555.24 | 561.25 |
| - Other current financial assets | 18 | 1,462.47 | 1,001.07 |
| Other current assets | 19 | 2,472.41 | 3,449.07 |
| | | 57,776.14 | 58,876.03 |
| TOTAL ASSETS | | 1,42,751.78 | 1,16,952.46 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 20 | 2,439.14 | 2,439.14 |
| Other Equity | 21 | 98,898.18 | 80,573.31 |
| | | 1,01,337.32 | 83,012.45 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| - Lease liabilities | 39.7 | 190.69 | 254.40 |
| - Other non-current financial liabilities | 22 | 8,444.62 | 7,372.61 |
| Provisions | 23 | 462.13 | 731.94 |
| Deferred tax liabilities (Net) | 24 D | 828.98 | 678.66 |
| | | 9,926.42 | 9,037.61 |
| Current liabilities | | | |
| Financial liabilities | | | |
| - Borrowings | 25 | - | 2.45 |
| - Lease liabilities | 39.7 | 8.50 | 27.59 |
| - Trade payables | 26 | - | - |
| a) Total outstanding dues of micro enterprises and small enterprises | | 1,168.31 | 330.31 |
| b) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 14,852.25 | 11,075.14 |
| - Other current financial liabilities | 27 | 8,373.06 | 7,391.54 |
| Provisions | 28 | 435.21 | 547.34 |
| Other current liabilities | 29 | 6,650.71 | 5,528.03 |
| | | 31,488.04 | 5,528.03 |
| TOTAL EQUITY AND LIABILITIES | | 1,42,751.78 | 1,16,952.46 |
| Significant Accounting Policies' and 'Notes 1 to 39' form an integral part of the Standalone Financial Statements. | | | |
| For and on behalf of the Board of Directors. | | | |
|  (Rajesh Gautam) Managing Director DIN : 00192399 |  (Prashar Gautam) Whole time Director DIN : 01646487 |  (Dhruv Mathur) Chief Financial Officer |  (M. Iqbal Ahmad) Company Secretary M. No. A20821 |
| As per our Report of even date attached S. P. CHOPRA & CO. Chartered Accountants Firm Registration No. 00346N | | | |
|  (Sanjiv Gupta) Partner Membership No. 083364 | | | |
| Place: Noida | | | |
| Dated: 29th May, 2021 | | | |

SHEELA FOAM LIMITED**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021**


(Rs. In Lakhs)

| Particulars | Note No. | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|------------|--------------------------------|--------------------------------|
| INCOME: | | | |
| Revenue From Operations | 30 | 1,68,949.07 | 1,75,476.98 |
| Other Income | 31 | 5,180.23 | 4,134.92 |
| Total Income | | 1,74,129.30 | 1,79,611.90 |
| EXPENSES: | | | |
| Cost of materials consumed | 32 | 94,977.27 | 88,486.24 |
| Purchases of Stock-in-Trade | 33 | 1,799.48 | 1,798.33 |
| Other manufacturing expenses | 34 | 3,322.30 | 5,251.79 |
| Changes in inventories of finished goods, stock-in-process and stock-in-trade | 35 | (849.70) | 386.14 |
| Employee benefits expense | 36 | 11,986.02 | 14,107.18 |
| Finance costs | 37 | 868.17 | 813.60 |
| Depreciation and amortization expense | 3 to 5 | 3,252.55 | 3,309.16 |
| Other expenses | 38 | 34,427.35 | 42,745.38 |
| Total Expenses | | 1,49,783.44 | 1,56,897.82 |
| Profit before exceptional items & tax | | 24,345.86 | 22,714.08 |
| Exceptional items | | | |
| Insurance claim receivable written off | 39.15 | - | 1,199.49 |
| Profit before tax | | 24,345.86 | 21,514.59 |
| Tax expense: | | | |
| Current tax | 24 | | |
| - Current year's | 24A | 6,122.89 | 5,422.52 |
| - Earlier year's | | (42.32) | - |
| Deferred tax | 24D | 150.33 | (459.05) |
| | | 6,230.90 | 4,963.47 |
| Profit for the year | | 18,114.96 | 16,551.12 |
| Other Comprehensive Income/(loss) : | | | |
| (a) Items that will not be reclassified to profit or loss | | | |
| - Re-measurements losses on defined benefit plans | 39.4.d.III | 180.45 | (578.99) |
| - Income tax effects | 24B | (45.42) | 145.72 |
| (b) Items that will be reclassified to profit or loss | | | |
| - Fair value gain on investments (net) | | 100.06 | - |
| - Income tax effects | | (25.18) | - |
| Other Comprehensive gain/(loss) for the year | | 209.91 | (433.27) |
| Total Comprehensive Income for the year | | 18,324.87 | 16,117.85 |
| Earnings per share- Basic/Diluted in Rs. | 39.8 | 37.13 | 33.93 |

'Significant Accounting Policies' and 'Notes 1 to 39' form an Integral part of the Standalone Financial Statements.

For and on behalf of the Board of Directors.


(Rahul Gautam)
Managing Director
DIN : 00192999


(Tusnaar Gautam)
Whole-time Director
DIN : 01546487

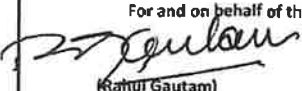
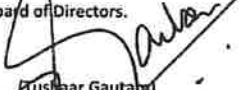

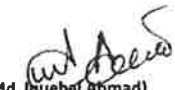
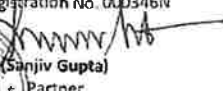

(Dhruv Mathur)
Chief Financial Officer


(Md. Iqbal Ahmad)
Company Secretary
M. No. - A20921

As per our Report of even date attached
S. P. CHOPRA & CO.
Chartered Accountants
Firm Registration No. 000346N



Place: Noida
Dated: 29th May, 2021

| SHEELA FOAM LIMITED | | | | |
|--|---|--|--|-------------|
| STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2021 | | | | |
| (Rs. In Lakhs) | | | | |
| Particulars | Year Ended 31st March, 2021 | | Year Ended 31st March, 2020 | |
| | Amount | Total | Amount | Total |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit before tax as per statement of profit and loss | | 24,345.86 | | 21,514.59 |
| Adjustments for: | | | | |
| Depreciation and amortisation expense | 3,252.55 | | 3,309.16 | |
| Insurance claim receivable written off | - | | 1,199.49 | |
| Finance costs | 868.17 | | 813.50 | |
| Advances/Balances written off | 59.67 | | 211.31 | |
| Provision for doubtful receivables | (51.19) | | 71.69 | |
| Bad debts written off | 69.88 | | - | |
| Fair value gain on investments (net) | (366.51) | | (657.38) | |
| Profit on sale of investments (net) | (1,675.87) | | (1,505.57) | |
| Liabilities/provisions no longer required written back | (15.62) | | (10.73) | |
| Unrealised foreign exchange (Gain) /loss (net) | (32.98) | | (17.01) | |
| Interest income | (1,668.78) | | (564.30) | |
| Property, Plant & Equipment written off (net) | 13.26 | | 26.65 | |
| Investment written off | 1.02 | | - | |
| Loss/(Profit) on sale of property, plant and equipment (net) | 1.84 | | (263.15) | |
| | | 455.44 | | 2,613.76 |
| Operating profit before working capital changes | | 24,801.30 | | 24,128.35 |
| Adjustment for working capital changes: | | | | |
| (Increase) in Inventories | (5,314.41) | | (1,221.71) | |
| (Increase) in loans and trade receivables | (3,750.19) | | (2,762.05) | |
| Decrease/(Increase) in other financial and non-financial assets | 741.88 | | (209.31) | |
| Increase/ (Decrease) in trade payables | 4,648.09 | | (232.52) | |
| Increase/(Decrease) in lease liabilities, other financial liabilities, non-financial liabilities and provisions | 3,001.50 | | (1,546.14) | |
| Cash used in Working Capital Changes | | (1,673.14) | | (5,971.73) |
| Cash generated from operations | | 23,128.16 | | 18,156.62 |
| Income Tax paid (net) | | (5,219.18) | | (5,179.87) |
| Net Cash inflow from Operating Activities - A | | 17,908.98 | | 12,976.75 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of property, plant and equipment including capital work in progress | (1,764.33) | | (5,635.97) | |
| Sale/adjustment/write-off of property, plant and equipment | 90.82 | | 306.16 | |
| Deposits matured/made during the year (net) | 3.44 | | 111.54 | |
| Investment in equity shares of Subsidiary Company | - | | (31,434.38) | |
| Investment in bonds, debentures and mutual funds (net) | (15,842.81) | | 10,872.96 | |
| Loans & advances given to Subsidiary Company | (96.48) | | (4,946.54) | |
| Repayment loans & advances by Subsidiary Company | 506.42 | | - | |
| Interest Income | 693.03 | | 441.49 | |
| Net Cash outflow from Investing Activities - B | | (16,409.91) | | (10,284.74) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Repayment of Secured long term borrowings | - | | (1.74) | |
| Repayment of Unsecured long term borrowings | - | | (29.57) | |
| Proceeds from Unsecured short term borrowings | - | | 2.45 | |
| Repayment of Unsecured short term borrowings | (2.45) | | - | |
| Payment of principal portion of lease liabilities | (14.36) | | (56.20) | |
| Payment of interest portion of lease liabilities | (24.41) | | (3.44) | |
| Finance costs | (843.76) | | (769.96) | |
| Net Cash outflow from Financing Activities - C | | (884.98) | | (869.45) |
| Net (increase in cash and cash equivalents (A+B+C) | | 614.09 | | 1,822.55 |
| Cash and cash equivalents (Opening Balance) | | 2,889.45 | | 1,066.90 |
| Cash and cash equivalents (Closing Balance) | | 3,503.54 | | 2,889.45 |
| Note to Statement of cash flows : | | | | |
| - Components of Cash and cash equivalents as under : | | | | |
| - Balance with Banks - Current Accounts | 1,091.73 | | 879.93 | |
| - Cash on hand | 11.81 | | 9.52 | |
| - Deposits with Banks with original maturity of less than 3 months | 2,400.00 | | 2,000.00 | |
| | | 3,503.54 | | 2,889.45 |
| - Figures in brackets indicate cash outflow. | | | | |
| - The above Standalone Statement of cash flows has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flows | | | | |
| Significant Accounting Policies* and 'Notes 1 to 89' form an Integral part of the Standalone Financial Statements. | | | | |
| For and on behalf of the Board of Directors. | | | | |
|  (Rahul Gautam) Managing Director DIN : 00192999 |  (Ashishar Gautam) Whole-time Director DIN : 01646487 |  (Dhruv Mathur) Chief Financial Officer |  (Md. Iqbal Ahmad) Company Secretary M. No. - A20921 | |
| As per our Report of even date attached S. P. CHOPRA & CO. Chartered Accountants Firm Registration No. 000346N | | | | |
|  (Sanjiv Gupta) * Partner Membership No. 083364 | | | | |
| Place: Noida Dated: 29th May 2021 | | | | |

SHEELA FOAM LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2021

(A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2021

(Rs. In Lakhs)

| Balance as at 01st April, 2020 | Changes in equity share capital during the year | Balance as at 31st March, 2021 |
|--------------------------------|---|--------------------------------|
| 2,439.14 | - | 2,439.14 |

For the year ended 31st March, 2020

(Rs. In Lakhs)

| Balance as at 01st April, 2019 | Changes in equity share capital during the year | Balance as at 31st March, 2020 |
|--------------------------------|---|--------------------------------|
| 2,439.14 | - | 2,439.14 |

(B) OTHER EQUITY

For the year ended 31st March, 2021

(Rs. In Lakhs)

| Particulars | Retained Earnings | Capital Reserve | General Reserve | Other comprehensive income - other items | Total |
|--|-------------------|-----------------|-----------------|--|-----------|
| Balance as at 1st April, 2020 | 79,200.63 | 328.57 | 1,716.27 | (672.16) | 80,573.31 |
| Profit for the year | 18,114.96 | - | - | - | 18,114.96 |
| Other Comprehensive Gain for the year (net of tax) | - | - | - | 209.91 | 209.91 |
| Balance as at 31st March, 2021 | 97,315.59 | 328.57 | 1,716.27 | (462.25) | 98,898.18 |

For the year ended 31st March, 2020


(Rs. In Lakhs)

| Particulars | Retained Earnings | Capital Reserve | General Reserve | Other comprehensive income - other items | Total |
|---|-------------------|-----------------|-----------------|--|-----------|
| Balance as at 31st March, 2019 | 62,662.52 | 328.57 | 1,716.27 | (238.89) | 64,468.47 |
| Less: Adjustment on adoption of Ind AS 116 (net of tax) | (13.01) | - | - | - | (13.01) |
| Balance as at 1st April, 2020 | 62,649.51 | 328.57 | 1,716.27 | (238.89) | 64,455.46 |
| Profit for the year | 16,551.12 | - | - | - | 16,551.12 |
| Other Comprehensive Loss for the year (net of tax) | - | - | - | (433.27) | (433.27) |
| Balance as at 31st March, 2020 | 79,200.63 | 328.57 | 1,716.27 | (672.16) | 80,573.31 |

Significant Accounting Policies' and 'Notes 1 to 39' form an integral part of the Standalone Financial Statements.

For and on behalf of the Board of Directors.


(Rahul Gautam)
Managing Director
DIN : 00192999


(Tushar Gautam)
Whole-time Director
DIN : 01646487


(Dhruv Mathur)
Chief Financial Officer


(Md. Iqbal Ahmad)
Company Secretary
M. No. - A20921

As per our Report of even date attached
S. P. CHOPRA & CO.
Chartered Accountants
Firm Registration No. 000346N




(Sanjiv Gupta)
Partner
Membership No. 083364

Place: Noida

Dated: 29th May, 2021

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

1. COMPANY INFORMATION

Sheela Foam Limited ('the Company') is a ISO 9001:2000 public limited Company incorporated in India, with its registered office in New Delhi. The Company is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

The Company is pioneered in the manufacturing of polyurethane foams in India, and has ten manufacturing facilities using the state of the art technology at strategic locations across the country.

The standalone financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on May 29, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance and Basis of Preparation

a. Basis of Preparation :

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act. The standalone financial statements have been prepared on accrual and going concern basis. All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

b. Historical Cost Convention

The standalone financial statements have been prepared on a historical cost basis, except, certain financial assets and liabilities, measured at fair value,

c. Functional and presentation currency

The standalone financial statements are prepared in Indian Rupees ('Rs. '), which is the Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimal places, unless stated otherwise.

d. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it is: -

- expected to be realized, or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it is:

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within 12 months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities:

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle:

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalent. The Company has identified twelve months as its operating cycle.



e. **Use of estimates and judgments**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure and the disclosure of contingent liabilities. Uncertainty about these estimates and assumptions could result in outcomes that requires material adjustments to the carrying amount of the assets and liabilities in future period/s.

These estimates and assumptions are based on the facts and events, that existed as at the date of Balance Sheet, or that occurred after that date but provide additional evidence about conditions existing as at the Balance Sheet date.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are given below.

i. **Useful lives of Property Plant and Equipment**

The Property, Plant and Equipment are depreciated on a pro-rate basis on written down value basis over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 2.2 below. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the financial position in future years.

ii. **Retirement benefit obligation**

The cost of retirement benefits and present value of the retirement benefit obligations in respect of Gratuity and Leave Encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, these retirement benefit obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of these obligations. The mortality rate is based on publically available mortality table for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about the assumptions used, including a sensitivity analysis are given in Note 40.4.

iii. **Taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

iv. **Fair value measurement of financial instrument**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v. **Impairment of Financial assets**

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.



vi. Impairment of non-Financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

2.2 Property, Plant & Equipment

Property, Plant & Equipment are accounted for on historical cost basis (inclusive of the cost of installation and other incidental costs till commencement of commercial production) net of recoverable taxes, less accumulated depreciation and impairment loss, if any. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are added to the existing asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Cost of leasehold land is amortized over the period of lease.

Depreciation on property, plant & equipment is provided on a pro-rate basis on written down value basis, over the useful life of the assets estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The asset's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The property, plant and equipment costing upto Rs. 5,000/- are fully depreciated during the year of addition after retaining 5% as net residual value. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

| Asset | Useful life as per Schedule II of the Companies Act, 2013 (No. of Years) | Useful life as assessed / estimated by the Company (No. of Years) |
|------------------------------------|--|---|
| Buildings : | | |
| - Factory | 30 | 29 |
| - Office | 60 | 59 |
| - Residential | 60 | 59 |
| Plant & Equipment | 15 | 20 |
| Furniture & Fixtures | 10 | 15 |
| Vehicles : | | |
| - Motor Cars | 8 | 10 |
| Office Equipment | 5 | 20 |
| Date Processing Equipment : | | |
| - Computer Equipment | 3 | 6 |
| Electrical Fittings | 10 | 20 |

Based on usage pattern and internal assessment, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".



2.3 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are added to the carrying amount only when it is probable that it will increase its useful life. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. Though the Company measures investment property using cost based measurement, the fair value of the investment property is disclosed in the notes. Fair value is determined based on an annual evaluation performed by an accredited external independent valuer applying a recognized and recommended valuation model.

Depreciation on investment property, is provided on a pro-rate basis on written down value basis, over the useful life of the property estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The property's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

| Asset | Useful life as per Schedule II of the Companies Act, 2013 (No. of Years) | Useful life as assessed / estimated by the Company (No. of Years) |
|--------------------|--|---|
| Buildings : | | |
| - Factory | 30 | 29 |
| - Office | 60 | 59 |
| - Residential | 60 | 59 |

Based on usage pattern and internal assessment, the management believes that the useful lives as given above best represent the period over which the management expects to use these properties. Hence the useful lives of these properties is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Investment property is derecognized when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss arising on de-recognition of the investment property is included in the Statement of Profit and Loss.

Transfers are made to / from investment property only when there is a change in its use. Transfers between investment property is made at the carrying amount of the property transferred.

2.4 Investment in Subsidiaries

Investments in subsidiaries are carried at cost, less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

2.5 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

(a) Initial recognition and measurement

At initial recognition, all financial assets are recognized at its fair value plus, in the case of a financial asset not carried at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(b) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI); and
- Financial assets measured at fair value through profit and loss (FVTPL)

Where financial assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit and loss), or recognized in other comprehensive income (i.e. fair value through Other Comprehensive Income).



The classification of financial assets depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

(1) Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if both the following conditions are met:

- **Business Model Test:** The objective of the business model is to hold financial asset in order to collect contractual cash flows (rather than to sell the asset prior to its financial maturity to realize its fair value changes); and
- **Cash Flow Characteristics Test:** Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial asset are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in interest income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade receivables, deposits with banks, security deposits, cash and cash equivalents, investments in securities and employee loans, etc.

(2) Financial instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- **Business Model Test:** The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- **Cash Flow Characteristics Test:** The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Profit and Loss. The Company as at the Balance Sheet date is not having any such instruments.

(3) Financial instruments measured at Fair Value Through Profit and Loss (FVTPL)

Fair Value through Profit and Loss is a residual category. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified as FVTPL. Financial instruments included in FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements i.e. gain or loss and interest income are recorded in Statement of Profit and Loss. This category comprises of investments in mutual funds and market linked debentures.

(c) Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial Assets measured at amortized cost;
- Financial Assets measured at FVTOCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Financial assets that are debt instruments, and are measured at amortized cost i.e. trade receivables, deposits with banks, security deposits and employee loans etc.



- Financial assets that are debt instruments, and are measured at FVTOCI, The Company as at the Balance Sheet date is not having any such instruments.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The trade receivables are initially recognized at the sale/recoverable value and are assessed at each Balance Sheet date for collectability. Trade receivables are classified as current assets, if collection is expected within twelve months as at Balance Sheet date, if not, they are classified under non-current assets.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months (Expected Credit Loss) ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on timely basis.

(d) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have been expired/transferred, or
- The Company retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, borrowings, security deposits and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in Other Comprehensive Income. These gains/ losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of comprehensive income. The Company has not designated any financial liability as at fair value through profit and loss.



Borrowings & Security Deposits

Any difference between the proceeds (net of transaction costs) and the repayment amount is recognized in profit or loss over the period of the liability and subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial Guarantee Contract

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Trade and other payables

Trade and other payables are obligations incurred by the Company towards purchase of raw material and other goods and availing the services that have been acquired or availed in the ordinary course of business. Trade and other payables are classified under current liabilities, if payment is due within 12 months as at Balance Sheet date, if not, they are classified under non-current liabilities. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(iii) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.6 Inventories

Inventories are valued at lower of cost and net realisable value. In respect of raw material, packing material and stores & spares, cost is computed on first in first out basis, as determined on direct cost basis. Finished goods and stock-in-process include cost of inputs, conversion costs and other costs including manufacturing overheads incurred in bringing them to their present location and condition. Obsolete, defective and unserviceable stocks are provided for, wherever required. The net-realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make sale.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

2.8 Impairment of Non-Financial Assets

The Company assesses, at each reporting date, using external and internal sources, whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous period/s. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying value of an asset exceeds its recoverable amount.

The recoverable amount is determined:

- in the case of an individual asset, at the higher of the asset's fair value less cost of sell and value in use; and
- in the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of the cash generating unit's fair value less cost to sell and value in use.



In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that effects current market assessments of the time value of money and the risks specific to that asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An impairment loss for an asset is reversed, if and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized, the carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss being recognized for the asset in prior year/s.

2.9 Provisions and Contingent Liabilities

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balances sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

2.10 Revenue Recognition

- a) Revenue from sale of goods is recognised when the control of the goods is transferred to the customer, which is generally on the delivery of the goods, the associated costs and the amount of revenue can be measured reliably and it is probable that the economic benefit associated with the transaction will flow to the Company. It is measured at fair value of the consideration received or receivable, after deduction of sales returns, trade discount, volume rebates and goods and service tax collected on behalf of the government.
- b) Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed.
- c) Export incentive such as Duty drawback is recognized on post export basis on the basis of their entitlement rates.
- d) Interest income is recognized on time proportion basis taking into account the amount outstanding and applicable interest rates.
- e) Insurances claims are recognised to the extent the Company is reasonably certain of their ultimate receipt.
- f) Dividend income on investments is recognized when the right to receive dividend is established.
- g) Other income/revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and it can be reliably measured.

2.11 Government Grants/Subsidy

Government Grants are recognized when it is reasonably certain that the ultimate collection will be made. Government grants of capital nature are credited to capital reserve. Other government grants of revenue nature including subsidies are credited to specific expense head in the Statement of Profit and Loss.



2.12 Employee Benefits

a. Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia, performance incentive/ pay etc. and the same are recognized in the period in which the employee renders the related services.

b. Long Term Benefit

The employees of the Company are entitled to long service award (LSA), as retention earned leave, after completion of service of five years, which can be en-cashed or accumulated till retirement. The liability towards LSA is provided for on accrual basis as estimated by the management.

c. Post-Employment Benefits

i. Defined contribution plan:

The Company's approved provident fund scheme, employees' state insurance fund scheme and employees' pension scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

ii. Defined benefit plan

The employees' gratuity fund scheme and the employees leave encashment / employees long term compensated absences are the Company's defined benefit plans. The present value of the obligation under defined benefit plans of gratuity and leave encashment is determined based on the actuarial valuation on projected unit credit method as at the balance sheet date. Re-measurement, comprising of actuarial gains and losses, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods. Liability towards Gratuity is funded through a separate Gratuity Trust. The short / excess of the Gratuity liability as compared to the net fund held by the Gratuity Trust is accounted for as liability/ assets as at the year end.

2.13 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, for a period of time in exchange for consideration even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company has taken certain assets on Operating Lease. Operating Lease is a contract, which conveys the right to Lessee, to control the use of an identified asset for a period of time, the lease term, in exchange for consideration. The Company assesses whether a contract is, or contains, a lease on inception.

The lease term is either the non-cancellable period of the lease and any additional periods when there is an enforceable option to extend the lease and it is reasonably certain that the Company will extend the term, or a lease period in which it is reasonably certain that the Company will not exercise a right to terminate. The lease term is reassessed if there is a significant change in circumstances.

At commencement, or on the modification, of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is amortised / depreciated using straight-line / written down value method from the commencement date to the end of the lease term. If the lessor transfers ownership of the underlying asset to the Company by the end of the lease term or if the Company expects to exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as the Company's other property, plant and equipment. Right-of-use assets are reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.



The lease liability is initially measured at the present value of the total lease payments due on the commencement date, discounted using either the interest rate implicit in the lease, if readily determinable, or more usually, an estimate of the Company's incremental borrowing rate on the inception date for a loan with similar terms to the lease. The incremental borrowing rate is estimated by obtaining interest rates from various external financing sources.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

In accordance with Ind AS 116, the Company does not recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases i.e. leases with a lease term of 12 months or less and containing no purchase options. Payments associated with these leases are recognised as an expense on a straight-line basis over the lease term

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as Operating Leases. Rental income from Operating Lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an Operating Lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as Finance Leases when substantially all of the risks and rewards of ownership are transferred from the Company to the lessee. Amounts due from lessees under Finance Leases are recorded as receivables at the Company's net investment in the leases. Finance Lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.14 Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency existing at balance sheet date are translated at the year end exchange rates. Exchange rate differences arising on settlement of transaction and translation of monetary items are recognized as income or expenses in the year in which they arise. The long term foreign currency monetary items are carried at the exchange rate prevailing on the date of initial transaction.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Premium or discount on forward exchange contract is amortised as income or expense over the life of the contract. Exchange difference on such contract is recognized in the Statement of Profit and Loss in the reporting period in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward contract is recognized as income or expenditure during the period.

2.15 Employee Stock Option Scheme

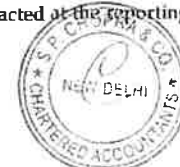
The Company follows the intrinsic method for computing the compensation cost, for options granted under the employee stock option scheme. The difference if any, between the fair/market value and the grant price, being the compensation cost is recognized as Deferred Stock Option Expense and is charged to the Statement of Profit and Loss on straight line basis over the vesting period of option.

2.16 Taxation

Tax expense for the year comprises of Current Tax and Deferred Tax.

a. Current Tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the tax regime inserted by the Taxation Laws (Amendment) Act, 2019 in the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.



b. Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

2.17 Dividend Distribution:

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Company and is declared by the shareholders. A corresponding amount is recognized directly in the Equity.

2.18 Earnings per Share:

Basic earnings per share is calculated by dividing net profit / loss of the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in the resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.19 Statement of Cash flows:

For the purpose of Standalone Statement of Cash Flows, cash and cash equivalents comprise cash on hand, cash at banks, demand deposits, short-term deposits with an original maturity of three months or less and other short term investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



Notes to the Standalone Financial Statements for the Year ended 31st March, 2021

| Description | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | |
|--|------------------|---------------------------|-------------------------------------|------------------|--------------|--|------------------|------------------|------------------|
| | As at 01.04.2020 | Additions during the year | Disposals/Transfers during the year | As at 31.03.2021 | For the year | Salary/Depreciation/Transfer during the year | As at 31.03.2021 | As at 31.03.2020 | As at 31.03.2020 |
| (i) Tangible Assets | | | | | | | | | |
| Land - Freehold | 1,248.92 | 461.00 | 10.90 | 1,699.02 | - | - | 1,699.02 | 1,248.92 | 1,248.92 |
| Buildings | 13,141.93 | 1,598.96 | 40.39 | 14,700.50 | 856.05 | 14.73 | 4,257.50 | 10,443.00 | 9,725.75 |
| Plant & Equipment | 37,681.83 | 796.63 | 104.58 | 14,373.87 | 6,034.45 | 63.36 | 7,653.41 | 10,720.47 | 11,667.36 |
| Furniture & Fixtures | 1,151.43 | 43.99 | 1.35 | 1,194.10 | 357.15 | 1.98 | 507.21 | 686.88 | 794.30 |
| Vehicles | 979.75 | 91.66 | 85.42 | 989.99 | 171.68 | 44.01 | 541.22 | 448.78 | 560.20 |
| Office equipment | 1,502.16 | 142.78 | 12.59 | 1,632.35 | 233.50 | 7.50 | 609.81 | 872.54 | 918.34 |
| Electrical fittings | 852.71 | 120.64 | 12.90 | 950.45 | 351.48 | 6.14 | 425.74 | 534.70 | 501.33 |
| Total | 36,552.73 | 3,245.66 | 248.12 | 50,550.28 | 8,186.60 | 137.84 | 14,184.48 | 25,365.80 | 25,436.13 |
| (ii) Capital Work-in-progress (refer note 3.2) | 1,652.58 | 728.84 | 2,284.36 | 317.06 | - | - | - | 117.06 | 3,652.58 |
| Total (i+ii) | 38,205.31 | 3,974.50 | 2,532.49 | 50,867.34 | 8,186.60 | 137.84 | 14,184.48 | 25,482.86 | 27,068.70 |

| Description | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | |
|--|------------------|---------------------------|-------------------------------------|------------------|--------------|--|------------------|------------------|------------------|
| | As at 01.04.2019 | Additions during the year | Disposals/Transfers during the year | As at 31.03.2020 | For the year | Salary/Depreciation/Transfer during the year | As at 31.03.2020 | As at 31.03.2019 | As at 31.03.2019 |
| (i) Tangible Assets | | | | | | | | | |
| Land - Freehold | 1,256.66 | - | 9.74 | 1,248.92 | - | - | 1,248.92 | 1,248.92 | 1,258.66 |
| Buildings | 12,553.73 | 613.65 | 25.45 | 13,141.93 | 910.87 | 6.73 | 3,416.18 | 9,725.75 | 10,041.69 |
| Plant & Equipment | 15,779.21 | 1,906.20 | 83.58 | 17,681.83 | 3,728.90 | 49.35 | 6,034.45 | 11,667.38 | 11,444.31 |
| Furniture & Fixtures | 786.37 | 365.36 | 1.28 | 1,151.45 | 143.89 | 0.67 | 357.15 | 794.30 | 572.44 |
| Vehicles | 745.54 | 243.11 | 14.90 | 979.75 | 151.58 | 10.79 | 413.55 | 560.20 | 473.78 |
| Office equipment | 1,164.13 | 365.49 | 27.46 | 1,502.16 | 220.76 | 19.48 | 589.82 | 918.34 | 781.61 |
| Electrical fittings | 835.46 | 25.55 | 8.90 | 852.71 | 83.99 | 9.52 | 351.48 | 501.23 | 563.85 |
| Total | 31,133.11 | 3,600.35 | 170.72 | 36,552.75 | 5,240.41 | 90.54 | 11,136.60 | 25,416.15 | 25,136.36 |
| (ii) Capital Work-in-progress (refer note 3.2) | 78.94 | 2,190.19 | 611.55 | 1,652.58 | - | - | - | 1,652.58 | 79.94 |
| Total (i+ii) | 31,212.05 | 5,790.54 | 1,322.27 | 38,205.33 | 5,240.41 | 90.54 | 11,136.60 | 27,068.70 | 25,216.30 |

3.1 Refer 'Part 2 of Significant Accounting Policies' for depreciation on property, plant and equipment.
 3.2 Capital Work-in-progress represents assets under construction / installation at various sites / plants and includes under noted pre-operative expenditure pending allocation on commencement of commercial production

| Nature of Expense | Opening as on 01.04.2020 (Rs. in Lakhs) | | Additions during 2020-21 (Rs. in Lakhs) | | Closing as on 31.03.2021 (Rs. in Lakhs) | |
|-------------------------------------|---|------------------|---|------------------|---|------------------|
| | As at 01.04.2020 | As at 31.03.2021 | As at 01.04.2020 | As at 31.03.2021 | As at 01.04.2020 | As at 31.03.2021 |
| Traveling Exp | 9.78 | - | - | 0.78 | 9.78 | 0.08 |
| Soil Testing & Land Measurement Exp | - | - | 0.99 | - | 0.99 | 0.89 |
| Others | - | 0.30 | 0.30 | - | 0.30 | - |
| Total | 9.78 | 0.30 | 1.29 | 0.78 | 11.37 | 0.97 |



Notes to the Standalone Financial Statements for the Year ended 31st March, 2021

NOTE-4 - RIGHT OF USE ASSETS (As at 31st March, 2021)

| Description | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | |
|---------------------|------------------|----------------------------|---------------------------|------------------|------------------|--------------|------------------|------------------|------------------|
| | As at 01.04.2020 | Adjustment on modification | Additions during the year | As at 31.03.2021 | As at 01.04.2020 | For the year | As at 31.03.2021 | As at 01.04.2021 | As at 31.03.2019 |
| (i) Tangible Assets | | | | | | | | | |
| Land | 2,046.03 | - | - | 2,046.03 | 20.13 | 21.53 | 41.66 | 2,004.36 | 2,025.90 |
| Buildings | 114.77 | - | - | 91.97 | 28.86 | 15.05 | 22.59 | 10.52 | 85.91 |
| Total | 2,160.80 | - | - | 2,078.00 | 48.99 | 36.58 | 63.01 | 2,014.88 | 2,111.81 |

RIGHT OF USE ASSETS (As at 31st March, 2020)

| Description | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | |
|---------------------|------------------|--------------------------------------|---------------------------|------------------|------------------|--------------|------------------|------------------|------------------|
| | As at 01.04.2019 | Adjustment on adoption of Ind AS 112 | Additions during the year | As at 31.03.2020 | As at 01.04.2019 | For the year | As at 31.03.2020 | As at 01.04.2019 | As at 31.03.2019 |
| (i) Tangible Assets | | | | | | | | | |
| Land | - | 1,534.30 | 511.73 | 2,046.03 | - | 20.13 | 20.13 | 2,025.90 | - |
| Buildings | - | 114.77 | - | 114.77 | - | 28.86 | 28.86 | 85.91 | - |
| Total | - | 1,649.07 | 511.73 | 2,160.80 | - | 48.99 | 48.99 | 2,111.81 | - |

4.1 Refer Para- 2.13 of Significant Accounting Policies for policy of recognition and amortisation / depreciation of the right-of-use assets.
 4.2 The leasehold land has been amortised during the year by Rs. 21.53 lakhs (Previous Year: Rs. 20.13 lakhs) as per the accounting policy.

Notes to the Standalone Financial Statements for the Year ended 31st March, 2021

NOTE-5 - INVESTMENT PROPERTY (At Cost) (As at 31st March, 2021)

| Description | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | |
|------------------------------------|------------------|--------------------------|------------------|--------------------------|------------------|--------------|------------------|------------------|------------------|
| | As at 01.04.2020 | Transfer during the year | As at 31.03.2021 | Transfer during the year | As at 01.04.2021 | For the year | As at 31.03.2021 | As at 01.04.2021 | As at 31.03.2020 |
| (i) Tangible Assets | | | | | | | | | |
| Land | - | 10.90 | - | - | - | - | - | 10.90 | - |
| Frehold Leasehold (refer note 5.2) | 68.47 | - | 68.47 | 5.64 | 5.64 | 0.91 | 4.55 | 63.02 | 64.83 |
| Buildings | 385.48 | 46.82 | 432.30 | 18.01 | 19.46 | 19.46 | 122.68 | 309.62 | 300.27 |
| Total | 453.95 | 57.72 | 511.67 | 88.01 | 88.85 | 20.37 | 127.23 | 384.44 | 365.10 |

INVESTMENT PROPERTY (At Cost) (As at 31st March, 2020)

| Description | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | |
|-----------------------------------|------------------|--------------------------|------------------|--------------------------|------------------|--------------|------------------|------------------|------------------|
| | As at 01.04.2019 | Transfer during the year | As at 31.03.2020 | Transfer during the year | As at 01.04.2020 | For the year | As at 31.03.2020 | As at 01.04.2020 | As at 31.03.2019 |
| (i) Tangible Assets | | | | | | | | | |
| Land - Leasehold (refer note 5.2) | 68.47 | - | 68.47 | 2.73 | 2.73 | 0.91 | 3.64 | 64.83 | 65.74 |
| Buildings | 385.48 | - | 385.48 | 66.36 | 66.36 | 18.95 | 85.21 | 300.27 | 315.12 |
| Total | 453.95 | - | 453.95 | 69.09 | 69.09 | 19.76 | 88.85 | 365.10 | 380.86 |

5.1 Refer Para- 2.7 of Significant Accounting Policies for depreciation and measurement of investment property.

5.2 The leasehold land has been amortised during the year by Rs. 0.91 lakhs (Previous Year: Rs. 0.81 lakhs) as per the accounting policy in terms of the Ind AS-40 on 'Investment Property'.

5.3

| Particulars | (Rs. in Lakhs) | |
|---|------------------|------------------|
| | As at 31.03.2021 | As at 31.03.2020 |
| Identical income derived from investment property | 188.66 | 152.71 |
| Profit arising from investment property before depreciation | 188.66 | 152.71 |
| Less: Depreciation for the year | 20.37 | 19.76 |
| Net Profit arising from investment property | 168.29 | 132.95 |

5.4 The Company has obtained independent valuation for its investment properties of Rs. 1,946.50 lakhs as at 31st March, 2021 and has reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an asset of equivalent utility, depreciation and obsolescence. Fair market value is the amount expressed in terms of money that may reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that Company shall continue to operate and run the assets to have economic utility. The fair value is on "as is where is" basis.

5.5 There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements thereof and there are no restriction on remittance of income and proceeds of disposal.

5.6 The investment properties are leasehold properties and realiability of the same is subject to the terms and condition under the respective lease agreements.



Notes to the Standalone Financial Statements for the Year ended 31st March, 2021

| NOTE-6 INVESTMENTS IN SUBSIDIARIES (Valued at cost, unless stated otherwise) | (Rs. In Lakhs) | | | |
|---|------------------------|------------------|------------------------|------------------|
| | As at 31st March, 2021 | | As at 31st March, 2020 | |
| | Nos. | Amount | Nos. | Amount |
| In Equity Instruments - Unquoted, fully paid up | | | | |
| - Joyce Foam Pty, Limited of Aud \$ 10/- each | 6,58,500 | 2,306.59 | 6,58,500 | 2,306.59 |
| - Divya Software Solutions (P) Ltd. of Rs. 10/- each | 94,633 | 7,602.00 | 94,633 | 7,602.00 |
| - Sleepwell Enterprises (P) Ltd. of Rs. 10/- each | 10,500 | 109.20 | 10,500 | 109.20 |
| - International Foam Technologies SL, Spain of Euro 1/-each | 1,20,03,000 | 11,352.93 | 1,20,03,000 | 11,352.93 |
| - SleepX US Inc. of US\$ 1/- each (Refer note 6.2) | - | - | - | 1.02 |
| - Staqa World Pvt. Ltd of Rs. 10/- each | 10,000 | 0.73 | 10,000 | 0.73 |
| Total Investments in Subsidiaries | | 21,371.45 | | 21,372.47 |
| Aggregate amount of Unquoted Investments | | 21,371.45 | | 21,372.47 |
| Aggregate amount of impairment in value of investments | | Nil | | Nil |

6.1 Information about subsidiaries

| Name of the Company and Country of Incorporation | Principal Activities | Proportion (%) of Shareholding | |
|--|--|--------------------------------|------------------------|
| | | As at 31st March, 2021 | As at 31st March, 2020 |
| Joyce Foam Pty, Limited, Australia | Manufacturer of technical foam supplied to Business to Business customers (mattress and furniture manufacturers) | 100 | 100 |
| Divya Software Solutions (P) Ltd., India | Software development and related ancillary activities | 100 | 100 |
| Sleepwell Enterprises (P) Ltd., India | Providing of its Trademarks, Patents, Logos etc. and earning royalty thereon | 100 | 100 |
| International Foam Technologies SL, Spain | To invest in a Wholly Owned Subsidiary Company in Spain, engaged in manufacturing of Polyurethane Foam | 100 | 100 |
| SleepX US Inc., USA (refer note 6.2) | General trading and product distribution | - | - |
| Staqa World Pvt. Ltd., India | Information technology and related ancillary activities | 100 | 100 |

6.2 During the previous year, the Company had incorporated a Wholly Owned Subsidiary Company (WOS) in Delaware, USA, for the purpose of marketing of the products of the Company in USA, however, as no share capital had been subscribed or investment had been made therein, there was no impact of the same on the financial statements except that the expenditures incurred for acquisition were capitalised as investment in WOS. Further, during the year the Company has dissolved the said Subsidiary on 29.03.2021 and expenditure incurred for acquisition has been written off and shown under Note 38 - Other Expenses - Investment written off.

| NOTE-7 NON CURRENT FINANCIAL INVESTMENTS | (Rs. In Lakhs) | | | |
|--|------------------------|-------------|------------------------|-----------------|
| | As at 31st March, 2021 | | As at 31st March, 2020 | |
| | Nos. | Amount | Nos. | Amount |
| In Bonds & Debentures - fully paid up | | | | |
| (a) Carried at amortised cost - Unquoted | | | | |
| - IDBI Investment Deposit Account Scheme, 1986 | - | 0.35 | - | 0.35 |
| Total (a) | | 0.35 | | 0.35 |
| (b) Carried at fair value through profit and loss - Quoted | | | | |
| - Ecap Equities Limited - Index Linked Non-convertible Debentures of Rs. 1,00,000/- each | - | - | 1,000 | 1,182.97 |
| Total (b) | | - | | 1,182.97 |



Notes to the Standalone Financial Statements for the Year ended 31st March, 2021

(c) Carried at fair value through other comprehensive income - Unquoted

| | | | | |
|--|-----|------------------|---|-----------------|
| 9.15% PNB Perpetual Bonds Call 13.02.2025 | 350 | 3,542.69 | - | - |
| 7.74% SBI Perpetual Bonds Call 09.09.2025 | 50 | 505.06 | - | - |
| 8.44% Indian Bank Perpetual Bonds Call 08.12.2025 | 400 | 3,942.80 | - | - |
| 8.73% Union Bank Of India Perpetual Bonds Call 15.12.2025 | 500 | 5,155.13 | - | - |
| 8.50% Canara Bank Non-Convertible Perpetual Bonds Call 31.12.2025 | 400 | 3,892.45 | - | - |
| 9.50% IndusInd Bank Limited Non-Convertible Bonds Call 18.04.2022 | 113 | 1,120.15 | - | - |
| 10.50% IndusInd Bank Limited Non-Convertible Bonds Call 28.03.2024 | 73 | 731.50 | - | - |
| 8.64% Union Bank Of India Perpetual Bonds Call 11.01.2026 | 25 | 2,442.33 | - | - |
| 8.15% Bank Of Baroda Perpetual Bonds Tier-I Call 13.01.2026 | 190 | 1,873.40 | - | - |
| 8.15% Bank Of Baroda Perpetual Bonds Tier-I Call 28.01.2026 | 250 | 2,498.96 | - | - |
| 9.04% Bank Of India Perpetual Bonds Call 28.01.2026 | 470 | 4,655.17 | - | - |
| Total (c) | | 30,359.64 | | |
| Total Investments (a) + (b) + (c) | | 30,359.99 | | 1,183.32 |
| Aggregate amount of Quoted Investments | | - | | 1,182.97 |
| Market value of Quoted Investments | | - | | 1,182.97 |
| Aggregate amount of Unquoted investment | | 30,359.99 | | 0.35 |
| Aggregate amount of impairment in value of investments | | Nil | | Nil |

NOTE-8 LOANS

(Unsecured, considered good)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Loans to employees | 13.18 | 14.04 |
| Security deposits | 206.96 | 192.60 |
| Loan to Subsidiary Company (refer note 39.6) | 4,847.61 | 4,638.17 |
| TOTAL | 5,067.75 | 4,844.81 |

(Rs. In Lakhs)

NOTE-9 OTHER NON-CURRENT FINANCIAL ASSETS

(Unsecured, considered good)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| Deposits with Banks: | | |
| - held as margin money | 1.34 | 1.24 |
| - others | 3.41 | 28.83 |
| Interest accrued but not due on deposits with Banks | 1.04 | 1.44 |
| TOTAL | 5.79 | 31.61 |

(Rs. In Lakhs)

NOTE-10 NON-CURRENT TAX ASSETS (NET)

Advance income tax (Net of provisions)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Advance income tax (Net of provisions) | 32.41 | 964.40 |
| TOTAL | 32.41 | 964.40 |

(Rs. In Lakhs)

NOTE-11 OTHER NON-CURRENT ASSETS

(Unsecured, considered good)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|------------------|------------------------|------------------------|
| Capital advances | 225.12 | 94.94 |
| Prepaid rent | 39.26 | 39.27 |
| TOTAL | 264.38 | 134.21 |

(Rs. In Lakhs)



Notes to the Standalone Financial Statements for the Year ended 31st March, 2021

| | (Rs. In Lakhs) | | | |
|---|------------------------|------------------|------------------------|------------------|
| | As at 31st March, 2021 | | As at 31st March, 2020 | |
| NOTE-12 INVENTORIES | | | | |
| (Valued at lower of Cost and Net Realisable Value, unless stated otherwise, refer note 2.6 for the Accounting Policy) | | | | |
| Raw Materials | 11,068.70 | | 6,823.05 | |
| - in Transit | 3,786.44 | 14,855.14 | 2,741.11 | 9,564.16 |
| Stock-in-process | | 5,122.10 | | 3,600.01 |
| Finished Goods | | 1,075.13 | | 1,175.41 |
| Stock-in-trade | | 138.23 | | 710.34 |
| Packing Material | 633.94 | | 572.55 | |
| - in Transit | 14.30 | 648.24 | 0.97 | 573.52 |
| Stores and Spares | 856.78 | | 820.27 | |
| - in Transit | 136.30 | 993.08 | 73.80 | 894.07 |
| TOTAL | | 22,831.92 | | 16,517.51 |

| | (Rs. In Lakhs) | | | |
|---|------------------------|------------------|------------------------|------------------|
| | As at 31st March, 2021 | | As at 31st March, 2020 | |
| | Nos. | Amount | Nos. | Amount |
| NOTE-13 CURRENT INVESTMENTS | | | | |
| In Bonds & Debentures - fully paid up - Quoted | | | | |
| (a) Carried at fair value through profit and loss | | | | |
| - Edelweises Finance Pvt Ltd - Index Linked Non-convertible Debentures of Rs. 1,00,000/- each | - | - | 1,500 | 1,937.24 |
| - Tata Capital Financial Services Ltd - Non-convertible Debentures of Rs. 10,00,000/- each | - | - | 200 | 2,201.40 |
| - Ecap Equities Limited- Index Linked Non-convertible Debentures of Rs. 1,00,000/- each | 1,000.00 | 1,308.06 | - | - |
| Total (a) | | 1,308.06 | | 4,138.64 |
| (b) Carried at fair value through other comprehensive income - Unquoted | | | | |
| 9.50% Indusind Bank Limited Non-Convertible Bonds Call 22.03.2022 | 323 | 3,212.45 | - | - |
| Total (b) | | 3,212.45 | | - |
| In Mutual Funds - fully paid up - Quoted | | | | |
| (c) Carried at fair value through profit and loss | | | | |
| - ICICI Prudential Floating Interest Fund- Direct Growth | 73,478 | 252.95 | - | - |
| - ICICI Prudential Medium Term Bond Fund- Direct Growth | 5,71,346 | 207.04 | - | - |
| - HDFC Medium Term Debt Fund- Direct Growth | 2,85,836 | 130.53 | - | - |
| - L&T Resurgent India Bond Fund- Direct Growth | 74,65,987 | 1,244.95 | - | - |
| - AXIS Banking & PSU Debt Fund- Direct Growth | 30,350 | 636.68 | - | - |
| - IDFC Banking & PSU Debt Fund- Direct Growth | 53,78,239 | 1,050.93 | - | - |
| - L&T Banking & PSU Debt Fund- Direct Growth | 49,37,958 | 993.12 | - | - |
| - Nippon India Banking & PSU Debt Fund- Direct Growth | 64,61,186 | 1,061.00 | - | - |
| - DSP Floater Fund- Direct Growth | 49,99,750 | 502.62 | - | - |
| - UTI Corporate Bond Fund-Direct Growth | - | - | 2,51,79,567 | 2,976.00 |
| - L&T Triple Ace Bond Fund-Direct Growth | - | - | 65,22,882 | 3,604.98 |
| - HDFC Liquid Fund-Direct Growth | - | - | 25,677 | 1,003.09 |
| - HDFC Corporate Bond Fund-Direct Growth | - | - | 1,30,80,873 | 3,019.54 |
| - IDFC Arbitrage Fund-Direct Growth | - | - | 29,62,635 | 762.31 |
| - DSP Corporate Bond Fund-Direct Growth | - | - | 1,70,03,331 | 2,012.12 |
| - ICICI Prudential Corporate Bond Fund-Direct Growth | - | - | 1,98,74,764 | 4,275.08 |
| Total (c) | | 6,079.82 | | 17,653.12 |
| Total Investments (a) + (b) + (c) | | 10,600.33 | | 21,791.76 |
| Aggregate amount of Quoted Investments | | 7,387.88 | | 21,791.76 |
| Aggregate market value of Quoted Investments | | 7,387.88 | | 21,791.76 |
| Aggregate amount of Unquoted investment | | 3,212.45 | | - |
| Aggregate amount of impairment in value of investment | | Nil | | Nil |



Notes to the Standalone Financial Statements for the Year ended 31st March, 2021

| | (Rs. In Lakhs) | |
|--|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| NOTE-14 TRADE RECEIVABLES | | |
| Unsecured, considered good | 16,304.60 | 12,640.27 |
| Unsecured, considered doubtful | 58.97 | 110.16 |
| Less: Allowance for doubtful receivables | (58.97) | (110.16) |
| TOTAL | 16,304.60 | 12,640.27 |

14.1 Trade receivables include amount of Rs. 126.53 lakhs (Rs. 177.71 lakhs as at 31st March, 2020) due from a Subsidiary Company and Rs.18.26 Lakhs (NIL as at 31st March, 2020) from Step down subsidiary (Refer note 39.6).

14.2 Refer note 39.13 for information about credit and market risk of trade receivables.

14.3 Trade receivables are usually non-interest bearing and on the trade terms of 60 days.

| | (Rs. In Lakhs) | |
|--|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| NOTE-15 CASH AND CASH EQUIVALENTS | | |
| Balances with Banks - Current Accounts | 1,091.73 | 879.93 |
| Cash on hand | 11.81 | 9.52 |
| Deposits with Banks with original maturity of less than 3 months | 2,400.00 | 2,000.00 |
| | 3,503.54 | 2,889.45 |

15.1 There are no restriction with regard to cash and cash equivalents as at the end of reporting period and prior period.

| | (Rs. In Lakhs) | |
|---|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| NOTE-16 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS | | |
| Deposits with Banks held as margin money (refer note 16.1) | 47.63 | 25.65 |
| TOTAL | 47.63 | 25.65 |

16.1 Under lien with banks as security for guarantee facility.

| | (Rs. In Lakhs) | |
|--|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| NOTE-17 LOANS (Unsecured, considered good) | | |
| Loans to employees | 55.24 | 61.25 |
| Inter-corporate deposits | 500.00 | 500.00 |
| TOTAL | 555.24 | 561.25 |

| | (Rs. In Lakhs) | |
|---|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| NOTE-18 OTHER CURRENT FINANCIAL ASSETS (Unsecured, considered good) | | |
| Interest accrued but not due on deposits with Banks, bonds and debentures | 686.78 | 5.36 |
| Interest accrued on loan given to Subsidiary Company | 125.26 | 39.96 |
| Insurance claim receivable | - | 13.74 |
| Advance to Subsidiary Company | - | 409.94 |
| Discounts receivable | 650.43 | 531.54 |
| Derivative financial asset | - | 0.53 |
| | 1,462.47 | 1,001.97 |



Notes to the Standalone Financial Statements for the Year ended 31st March, 2021

| NOTE-19 OTHER CURRENT ASSETS (Unsecured, considered good) | (Rs. in Lakhs) | |
|--|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Advance to contractors/suppliers | 971.43 | 1,027.04 |
| Balances with Statutory/Government authorities: | | |
| - Excise & Custom | 2.85 | 14.61 |
| - GST | 4.37 | 87.46 |
| - VAT/Sales Tax | <u>478.95</u> | <u>492.21</u> |
| Prepaid expenses | 299.99 | 297.93 |
| GST refund receivable (refer note 19.1) | 550.33 | 1,388.23 |
| Lease equalisation asset | 62.73 | 53.36 |
| Income tax refund | 15.33 | 15.33 |
| Employee benefit assets (refer note 39.4.d.v) | 29.52 | - |
| Other loans & advances (refer note 19.2) | 56.91 | 72.90 |
| TOTAL | <u>2,472.41</u> | <u>3,449.07</u> |

19.1 Amount of GST paid by the unit located in exempted zone, due for refund under the Government Budgetary Support Scheme.

19.2 Other loans & advances comprise of advances to staff for expenses and advances to other parties etc.



Notes to the Standalone Financial Statements for the Year ended 31st March, 2021

(Rs. In Lakhs)

NOTE-20 EQUITY SHARE CAPITAL

Authorised:

Equity Shares of Rs. 5/- each

| As at 31st March, 2021 | | As at 31st March, 2020 | |
|------------------------|----------|------------------------|----------|
| No. | Amount | No. | Amount |
| 8,80,21,000 | 4,401.05 | 8,80,21,000 | 4,401.05 |

Issued, Subscribed and Fully Paid up:

Equity Shares of Rs. 5/- each

| | | | |
|-------------|----------|-------------|----------|
| 4,87,82,808 | 2,439.14 | 4,87,82,808 | 2,439.14 |
|-------------|----------|-------------|----------|

20.1 Right, Preferences and Restrictions attached to Shares:

The Company has one class of equity shares having a par value of Rs. 5/- per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of Interim dividend. In the event of liquidation, the equity Shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

20.2 Reconciliation of the number of shares outstanding:

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|------------------------------|------------------------|--------------|------------------------|--------------|
| | Nos. | Rs. in Lakhs | Nos. | Rs. in Lakhs |
| At the beginning of the year | 4,87,82,808 | 2,439.14 | 4,87,82,808 | 2,439.14 |
| At the end of the year | 4,87,82,808 | 2,439.14 | 4,87,82,808 | 2,439.14 |

20.3 Details of Shares allotted as fully paid up without payment being received in cash during 5 years immediately preceding 31st March, 2021 / 31st March, 2020.

- During 2016-17, 1,62,60,936 fully paid up equity shares of Rs. 5/- each, were allotted by way of bonus shares to all the shareholders in the ratio of 1:2.

20.4 Details of Shareholders holding more than 5% shares:

| Name of the Shareholder | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---------------------------------|------------------------|--------|------------------------|--------|
| | No. of Shares | % held | No. of Shares | % held |
| Sh. Rahul Gautam | 62,09,485 | 12.73 | 62,09,485 | 12.73 |
| Smt. Namita Gautam | 57,15,879 | 11.72 | 57,15,879 | 11.72 |
| Sh. Tushaar Gautam | 1,70,86,314 | 35.03 | 1,80,86,314 | 37.08 |
| Rangoli Resorts Private Limited | 65,63,391 | 13.45 | 65,63,391 | 13.45 |
| SBI Magnum Midcap Fund | 43,56,390 | 8.93 | 46,81,747 | 9.60 |
| DSP Midcap Fund | 28,55,425 | 5.85 | - | - |
| Kotak Emerging Equity Scheme | 27,73,731 | 5.69 | - | - |

20.5 Equity shares held (Under-Authorised Capital) as per Sheela Foam Employees Stock Option Scheme, 2016 (ESOS 2016) (refer note 39.3)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|------------------------------|------------------------|------------------------|
| | No. of Shares | No. of Shares |
| Equity Shares of Rs.5/- each | 24,00,000 | 24,00,000 |



Notes to the Standalone Financial Statements for the Year ended 31st March, 2021

| NOTE-21 OTHER EQUITY | (Rs. In Lakhs) | | | |
|--|------------------------|------------------|------------------------|------------------|
| | As at 31st March, 2021 | | As at 31st March, 2020 | |
| Capital Reserve | | | | |
| As per last account | | 328.57 | | 328.57 |
| General Reserve | | | | |
| As per last account | | 1,716.27 | | 1,716.27 |
| Retained Earnings | | | | |
| As per last account | 79,200.63 | | 62,662.52 | |
| Less: Adjustment on adoption of Ind AS 116 (net of tax) | | | (13.01) | |
| Add: Profit for the year | <u>18,114.96</u> | 97,315.59 | <u>16,551.12</u> | 79,200.63 |
| Other comprehensive loss | | | | |
| As per last account | (672.16) | | (238.89) | |
| Add: Remeasurement gain/(loss) on defined benefit plans (net of tax) | <u>209.91</u> | (462.25) | <u>(433.27)</u> | (672.16) |
| TOTAL | | <u>98,898.18</u> | | <u>80,573.31</u> |

21.1 Nature and purpose of reserves

- a **Capital Reserve:** During amalgamation of the subsidiaries in the year 2012-13, the excess of net assets taken, over the cost of consideration paid was treated as capital reserve.
- b **General Reserve:** The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

| NOTE-22 OTHER NON-CURRENT FINANCIAL LIABILITIES | (Rs. In Lakhs) | | |
|---|------------------------|-----------------|------------------------|
| | As at 31st March, 2021 | | As at 31st March, 2020 |
| Deposits from dealers and others | | 7,850.87 | 6,738.95 |
| Capital Investment Subsidy | | 25.54 | 28.37 |
| Unearned Interest Income on Deposits | | 521.45 | 548.97 |
| Unearned Rent Income | | 46.76 | 56.32 |
| TOTAL | | <u>8,444.62</u> | <u>7,372.61</u> |

| NOTE-23 PROVISIONS | Note No. | (Rs. In Lakhs) | |
|--|----------|------------------------|------------------------|
| | | As at 31st March, 2021 | As at 31st March, 2020 |
| Provision for employee benefits - Leave encashment | 39.4 | 266.89 | 631.17 |
| Warranty Claims | 28.1 | 195.14 | 100.77 |
| | | <u>462.13</u> | <u>731.94</u> |



Notes to the Standalone Financial Statements for the Year ended 31st March, 2021

(Rs. In Lakhs)

NOTE-24 INCOME TAXES

| Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| A. Tax expense in the statement of profit and loss comprises: | | |
| Income tax | | |
| - Current income tax charge | 6,122.89 | 5,422.52 |
| - Earlier year's tax reversal | (42.32) | - |
| Deferred tax | | |
| - Relating to origination and reversal of temporary differences | 150.33 | (459.05) |
| Total tax expense reported in the statement of profit or loss | 6,230.90 | 4,963.47 |
| B. Statement of other comprehensive income (OCI) | | |
| Remeasurement losses on defined benefit plans | 45.42 | (145.72) |
| Fair value gain on investments (net) | 25.18 | - |
| Income tax related to items recognised in OCI during the year | 70.60 | (145.72) |
| C. Reconciliation of tax liability on book profit vis-à-vis actual tax liability | | |
| Accounting Profit before income tax | 24,345.86 | 21,514.59 |
| Applicable Tax Rate | 25.17% | 25.17% |
| Computed Tax Expense | 6,127.37 | 5,414.79 |
| Tax related adjustments | | |
| Difference in Tax Rate | (53.88) | (1.72) |
| Income not considered for tax purpose | (237.04) | (280.21) |
| Expenses not considered for tax purpose | 435.82 | (138.46) |
| Additional allowances for tax purpose | (41.35) | (30.93) |
| Income tax expense charged to the statement of profit or loss | 6,230.90 | 4,963.47 |
| Effective tax rate | 25.59% | 23.07% |

D. Deferred Tax Liability comprises:

| | As at 31st March, 2021 | For the year 2020-21 | As at 31st March, 2020 |
|---|------------------------|----------------------|------------------------|
| Deferred Tax Liability: | | | |
| - Depreciation | 796.34 | (56.58) | 852.92 |
| - Fair value gain/(loss) on investments | 69.24 | (5.96) | 75.20 |
| - Right of Use assets | 46.13 | (19.50) | 65.63 |
| Deferred Tax Assets: | | | |
| - Disallowance under Section 43B | (9.26) | - | (9.26) |
| - Provision for employee benefits | (23.34) | 211.53 | (234.87) |
| - Lease liabilities | (50.13) | 20.84 | (70.97) |
| Net Deferred Tax Liability | 828.98 | 150.33 | 678.66 |

NOTE-25 BORROWINGS

| | As at 31st March, 2021 | As at 31st March, 2020 |
|------------------|------------------------|------------------------|
| Unsecured | | |
| Bank overdraft | - | 2.45 |
| TOTAL | - | 2.45 |

NOTE-26 TRADE PAYABLES

| Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Total outstanding dues of micro enterprises and small enterprises | 39.2 | 1,168.31 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 14,852.25 |
| | 16,020.56 | 11,405.45 |

26.1 The trade payables are unsecured and usually non-interest bearing and are paid within 60 - 90 days of the recognition.

26.2 Trade Payables include amount of Rs. 336.73 lakhs (Rs. 59.97 lakhs as at 31st March, 2020) due to a Subsidiary Company. (Refer note 39.6)



Notes to the Standalone Financial Statements for the Year ended 31st March, 2021

| | | (Rs. In Lakhs) | |
|---|----------|------------------------|------------------------|
| NOTE-27 OTHER CURRENT FINANCIAL LIABILITIES | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
| Accrued expenses | | 5,393.16 | 4,634.03 |
| Creditors for assets | | 258.21 | 203.30 |
| Creditors for expense | | 2,466.26 | 1,813.93 |
| Capital Investment Subsidy | | 2.83 | 2.83 |
| Unearned Interest Income | | 142.85 | 320.83 |
| Unearned Rent Income | | 9.52 | 9.52 |
| Payable to employees | | 11.47 | 4.15 |
| Employee benefit Liabilities - Gratuity | 39.4 | - | 402.95 |
| Payable to a Subsidiary | 39.6 | 88.76 | - |
| TOTAL | | 8,373.06 | 7,391.54 |

27.1 There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as on 31st March, 2021 / 31st March, 2020.

| | | (Rs. In Lakhs) | |
|---|----------|------------------------|------------------------|
| NOTE-28 PROVISIONS | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
| Provision for employee benefits - Leave encashments | 39.4 | 8.38 | 16.80 |
| Warranty Claims | 28.1 | 426.83 | 530.54 |
| TOTAL | | 435.21 | 547.34 |

28.1 Warranty Claims:

Provision is recognised for expected warranty claims on mattresses sold, based on past experience of the level of returns in accordance with the Ind AS-37 "Provisions, Contingent Liabilities and Contingent Assets". Assumptions used for the said provision are based on sales and current information available about returns based on warranty period. The table below gives information about movement in warranty provision:

| | | (Rs. In Lakhs) | |
|---------------------------------------|--|------------------------|------------------------|
| | | As at 31st March, 2021 | As at 31st March, 2020 |
| Opening Balance | | 631.31 | 769.95 |
| Less: Amount utilized during the year | | 507.81 | 661.38 |
| | | 123.50 | 108.57 |
| Add: Provision made during the year | | 498.57 | 522.74 |
| Closing Balance | | 622.07 | 631.31 |

NOTE-29 OTHER CURRENT LIABILITIES

| | | (Rs. In Lakhs) | |
|-----------------------------------|----------|------------------------|------------------------|
| NOTE-29 OTHER CURRENT LIABILITIES | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
| Advance from customers | 29.1 | 5,246.28 | 4,423.87 |
| Statutory liabilities | | 1,404.43 | 1,104.16 |
| TOTAL | | 6,650.71 | 5,528.03 |

29.1 Include amount of Rs. Nil (Rs. 21.86 lakhs as at 31st March, 2020) received from a Step-down Subsidiary Company. (Refer note 39.6)



Notes to the Standalone Financial Statements for the Year ended 31st March, 2021

(Rs. in Lakhs)

NOTE-30 REVENUE FROM OPERATIONS

| Note No. | Year ended 31st March, 2021 | | Year ended 31st March, 2020 | |
|-------------------------|--------------------------------|--------------------|--------------------------------|--------------------|
| | | | | |
| Sale of products | | | | |
| - Finished Goods | 30.1.a | 1,64,471.43 | | 1,69,056.57 |
| - Traded Goods | 30.1.b | 4,317.72 | 1,68,789.15 | 5,468.79 |
| | | | | 1,74,525.36 |
| Other operating revenue | | | | |
| - Duty drawback | | | | 0.08 |
| - GST Refund | 19.1 | | | 731.32 |
| - Sale of process scrap | | 159.92 | 159.92 | 220.22 |
| | | | | 951.62 |
| TOTAL | | 1,68,949.07 | | 1,75,476.98 |

(Rs. in Lakhs)

30.1 Detail of sale of products:

| | Year ended 31st March, 2021 | | Year ended 31st March, 2020 | |
|---|--------------------------------|--------------------|--------------------------------|--------------------|
| a Finished Goods: | | | | |
| - PU Foam sheets/mattresses/rolls/bolster/pillows etc. | | 1,64,471.43 | | 1,69,056.57 |
| | | 1,64,471.43 | | 1,69,056.57 |
| b Traded Goods: | | | | |
| - Bed Sheets/Comforters/PU Foam/Spring/Coir mattresses etc. | | 4,317.72 | | 5,468.79 |
| | | 4,317.72 | | 5,468.79 |
| TOTAL | | 1,68,789.15 | | 1,74,525.36 |

(Rs. in Lakhs)

NOTE-31 OTHER INCOME

| Note No. | Year ended 31st March, 2021 | | Year ended 31st March, 2020 | |
|--|--------------------------------|-----------------|--------------------------------|-----------------|
| Interest income on: | | | | |
| - Bank deposits | | 20.31 | | 18.89 |
| - Bonds | | 1,041.83 | | 11.19 |
| - Income tax refund | | - | | 36.81 |
| - Loan to Subsidiary (including Ind AS adjustment) | | 296.80 | | 141.52 |
| - Inter corporate deposit | | 45.00 | | 5.78 |
| - Others | | 264.84 | 1,668.78 | 350.11 |
| | | | | 564.30 |
| IT support services: | | | | |
| - Export | | 419.18 | | 380.40 |
| - Domestic | | 17.77 | 436.95 | - |
| | | | | 380.40 |
| Rent | 31.1' | 219.86 | | 194.10 |
| Liabilities/provisions no longer required written back | | 15.62 | | 10.73 |
| Fair value gain on Investments (net) | | 366.51 | | 657.38 |
| Profit on sale of investments (net) | | 1,675.87 | | 1,505.57 |
| Exchange fluctuation profit (net) | | 392.54 | | 368.59 |
| Investment Subsidy received | | 2.83 | | 2.84 |
| Sale of non-process scrap | | 378.22 | | 422.16 |
| Other miscellaneous income | | 23.05 | | 28.85 |
| TOTAL | | 5,180.23 | | 4,134.92 |

31.1 Includes Rs. 188.86 lakhs (Previous Year : Rs. 152.71 lakhs) on Investment property (refer note 5.3).



Notes to the Standalone Financial Statements for the Year ended 31st March, 2021

| | (Rs. in Lakhs) | |
|--|--------------------------------|--------------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| NOTE-32 COST OF MATERIALS CONSUMED | | |
| Raw material | | |
| Opening Stock | 6,823.05 | 6,764.59 |
| Add: Purchases (less returns) | 95,534.36 | 83,352.20 |
| | <u>1,02,357.41</u> | <u>90,116.79</u> |
| Less: Sales /adjustments | 3,400.81 | 2,792.28 |
| Less: Closing Stock | 11,068.70 | 6,823.05 |
| | 87,887.90 | 80,501.46 |
| Packing Material | | |
| Opening Stock | 572.55 | 478.44 |
| Add: Purchases (less returns) | 7,718.25 | 8,768.77 |
| | <u>8,290.80</u> | <u>9,247.21</u> |
| Less: Sales /adjustments | 567.49 | 689.88 |
| Less: Closing Stock | 633.94 | 572.55 |
| | 7,089.37 | 7,984.78 |
| TOTAL | <u><u>94,977.27</u></u> | <u><u>88,486.24</u></u> |
| (Rs. in Lakhs) | | |
| NOTE-33 PURCHASES OF STOCK-IN-TRADE | | |
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Traded goods - Bed Sheets/Comforters/PU Foam/ Spring/Coir mattresses etc. | 1,799.48 | 1,798.33 |
| TOTAL | <u><u>1,799.48</u></u> | <u><u>1,798.33</u></u> |
| (Rs. in Lakhs) | | |
| NOTE-34 OTHER MANUFACTURING EXPENSES | | |
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Stores consumed | 680.81 | 843.26 |
| Power & fuel | 650.53 | 810.55 |
| Repair and maintenance: | | |
| - Buildings | 168.67 | 260.01 |
| - Plant & equipment | 775.47 | 976.84 |
| Processing & other charges | 1,046.82 | 2,361.13 |
| TOTAL | <u><u>3,322.30</u></u> | <u><u>5,251.79</u></u> |
| (Rs. in Lakhs) | | |
| NOTE-35 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE | | |
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Inventories at the end of the year | | |
| Finished goods | 1,075.13 | 1,175.41 |
| Stock-in-trade | 138.23 | 710.34 |
| Stock-in-process | 5,122.10 | 3,600.01 |
| | 6,335.46 | 5,485.76 |
| Inventories at the beginning of the year | | |
| Finished goods | 1,175.41 | 586.73 |
| Stock-in-trade | 710.34 | 1,742.58 |
| Stock-in-process | 3,600.01 | 3,542.59 |
| | 5,485.76 | 5,871.90 |
| TOTAL | <u><u>(849.70)</u></u> | <u><u>386.14</u></u> |
| (Rs. in Lakhs) | | |
| NOTE-36 EMPLOYEE BENEFITS EXPENSE | | |
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Salaries, wages, bonus, gratuity, leave encashment, allowances etc. | 10,470.37 | 12,122.26 |
| Contribution to provident, ESI and other funds etc. | 614.99 | 667.71 |
| Workmen & staff welfare expenses | 900.66 | 1,317.21 |
| TOTAL | <u><u>11,986.02</u></u> | <u><u>14,107.18</u></u> |



Notes to the Standalone Financial Statements for the Year ended 31st March, 2021

| | | | | | (Rs. in Lakhs) |
|------------------------------|--------------------------------|--------------------------------|--|--|----------------|
| NOTE-37 FINANCE COSTS | | | | | |
| Note No. | Year ended 31st March, 2021 | Year ended 31st March, 2020 | | | |
| | Interest expense on: | | | | |
| | - Working capital loans | | | | |
| | 43.98 | 26.21 | | | |
| | - Loans from others | | | | |
| | 7.64 | 1.60 | | | |
| | - Security deposits | | | | |
| | 757.92 | 692.51 | | | |
| | - Lease liabilities | | | | |
| 39.7 | 24.41 | 28.00 | | | |
| | - Others | | | | |
| | 22.91 | 44.69 | | | 793.01 |
| | Bank Charges | | | | |
| | | 11.31 | | | 20.59 |
| TOTAL | 868.17 | 813.60 | | | |

| | | | | | (Rs. in Lakhs) |
|-------------------------------|--|--------------------------------|--|--|----------------|
| NOTE-38 OTHER EXPENSES | | | | | |
| Note No. | Year ended 31st March, 2021 | Year ended 31st March, 2020 | | | |
| | 150.04 | 140.38 | | | |
| | 412.76 | 343.43 | | | |
| | 32.88 | 39.78 | | | |
| | 738.26 | 886.34 | | | |
| | 1,170.00 | 60.00 | | | |
| | 4,536.31 | 6,320.46 | | | |
| | 685.31 | 1,373.72 | | | |
| | 446.62 | 1,157.35 | | | |
| | Payment to Auditors: | | | | |
| | - Audit Fees | | | | |
| | 29.04 | 29.04 | | | |
| | - Certification work | | | | |
| | 3.54 | 3.50 | | | |
| | - Reimbursement of expenses | | | | |
| | 0.75 | 2.78 | | | 35.32 |
| | Contributions towards CSR | | | | |
| 39.9 | 489.55 | 344.00 | | | |
| | Advances/Balances written off | | | | |
| | 59.67 | 211.31 | | | |
| | Investment written off | | | | |
| 6.2 | 1.02 | - | | | - |
| | Provision for doubtful receivables | | | | |
| | - | 71.69 | | | |
| | Bad debts written off | | | | |
| | 69.88 | - | | | |
| | Less: Provision for doubtful receivables | | | | |
| | 51.19 | 18.69 | | | - |
| | 2,872.06 | 3,413.69 | | | |
| | 11,395.82 | 13,503.31 | | | |
| | 8,038.23 | 8,093.49 | | | |
| | 1,674.32 | 5,215.35 | | | |
| | 1.84 | (263.15) | | | |
| | 13.26 | 26.65 | | | |
| | 1,657.38 | 1,772.26 | | | |
| TOTAL | 34,427.35 | 42,745.38 | | | |



NOTE - 39: OTHER NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

39.1 Contingent Liabilities and Commitments:-

| | | (Rs. in Lakhs) | | | |
|-----------|---|------------------------|-----------------|------------------------|-----------------|
| Sr. No. | Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
| A. | Contingent Liabilities | | | | |
| i. | Claims against the Company not acknowledged as debts - Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards: (Refer 'Note - a' below) | | | | |
| | - Sales tax | 888.28 | | 888.54 | |
| | - Entry tax | 165.24 | | 57.72 | |
| | - GST | -- | | 2.29 | |
| | - Income tax | 447.57 | | 679.19 | |
| | - Excise Duty | 380.46 | 1,881.55 | 236.31 | 1,864.05 |
| ii. | Guarantees given by the Bankers on behalf of the Company to third parties | | 43.04 | | 24.86 |
| iii. | Others - for which the Company is contingently liable | | 75.00 | | 75.00 |
| B. | Commitments | | | | |
| i. | Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) | | 3,454.69 | | 3,582.96 |
| | TOTAL | | 5,454.28 | | 5,546.87 |

(a) The Company is contesting these demands and the management including its advisers are of the view that these demands may not be sustainable at the appellate level. The management believes that the ultimate outcome of these proceedings will not have any material adverse effect on the Company's financial position and results of operations. The Company does not expect any reimbursement in respect of these contingent liabilities, and it is not practicable to estimate the timing of cash outflows, if any, in respect of these matters, pending resolution of the appellant proceedings.

39.2 Disclosure required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006:-

| | | (Rs. in Lakhs) | |
|------|--|------------------------|------------------------|
| | | As at 31st March, 2021 | As at 31st March, 2020 |
| i. | Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act. | | |
| - | Principal | 1,168.31 | 330.31 |
| - | Interest | -- | -- |
| ii. | Amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | -- | -- |
| iii. | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act. | -- | -- |
| iv. | The amount of interest accrued and remaining unpaid | -- | -- |
| v. | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006 | -- | -- |
| | Total | 1,168.31 | 330.31 |

The above information regarding dues to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information collected with the Company. Further, the amount payable to these parties is not overdue hence no interest is required to provided/accrued as at 31.03.2021/31.03.2020.



39.3 Employee Stock Option Scheme

In an earlier year, the shareholders of the Company through special resolution approved issue of 24,00,000 options exercisable into 24,00,000 equity shares under the scheme titled "Sheela Foam Employees Stock Options Scheme 2016 ("ESOS 2016")" which provides for granting options to employees of the Company and its subsidiaries who meet the eligibility criteria under the scheme. The vesting period shall commence after a period of not less than one year from the date of grant of options under the scheme and the maximum vesting period may extend up to five years from the date of grant, unless otherwise decided by the management. As on date, no options have been granted under ESOS 2016.

39.4 Employee Benefits:-

(a) Defined Benefit plans:

Gratuity : Payable on separation as per the Payment of Gratuity Act, 1972 as amended @ 15 days pay, for each completed year of service to eligible employees who render continuous service of 5 years or more.

Leave Encashment : Employees of the Company are entitled to accumulate their earned/privilege leave up to a maximum of 45 days which is payable/ encashable as per the policy on their separation.

(b) Long Term Benefit:

Long Service Award : Payable to the eligible employees as retention earned leave, after completion of service of five years, which can be en-cashed or accumulated till retirement. During the year amount of Rs. 121.89 lakhs (Previous Year: Rs. 723.81 lakhs) has been charged to the Statement of Profit and Loss towards the said benefit.

(c) Defined Contribution plans:

Company's employees are covered by Provident Fund and Employees State Insurance Scheme/Fund and National Pension Scheme, to which the Company makes a defined contribution measured as a fixed percentage of salary. During the year, amount of Rs. 614.99 lakhs (Previous Year: Rs. 667.71 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

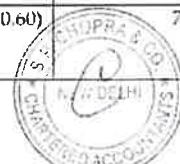
| | Year ended 31 st March, 2021 (Rs. in lakhs) | Year ended 31 st March, 2020 (Rs. in lakhs) |
|---|--|--|
| Employer's contribution towards Provident Fund (PF) | 529.84 | 561.02 |
| Employer's contribution towards Employees State Insurance (ESI) | 53.43 | 63.52 |
| Employer's contribution towards National Pension Scheme (NPS) | 31.72 | 43.17 |

(d) Other disclosures, as required under Ind AS-19 in respect of Defined Benefit plans which are determined based on actuarial valuation, are as under:

i) Reconciliation of the opening and closing balances of Defined Benefit Obligation:

(Rs. in Lakhs)

| Particulars | Gratuity | | Leave Encashment | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Present Value of Defined Benefit Obligation at the beginning of year | 1,891.61 | 1,417.99 | 647.97 | 392.33 |
| Interest cost | 128.25 | 111.03 | 43.93 | 30.72 |
| Current Service Cost | 185.05 | 141.99 | 84.21 | 49.97 |
| Benefit Paid | (158.30) | (58.55) | (473.53) | (118.82) |
| Losses / (Gains) on Curtailments / Settlements | (59.37) | -- | (29.39) | -- |
| Actuarial (Gain) / Loss arising from Change in Financial Assumptions | (66.04) | 223.19 | (10.60) | 76.90 |



| | | | | |
|--|----------|----------|--------|--------|
| Actuarial (Gain) / Loss arising from Change in Demographic Assumptions | -- | (0.93) | -- | (0.31) |
| Actuarial (Gain) / Loss arising from Changes in Experience Adjustments | (100.19) | 56.89 | 12.68 | 217.18 |
| Present value of the Defined Benefit Obligation at the end of year | 1,821.01 | 1,891.61 | 275.27 | 647.97 |

ii) Net Defined Benefit recognized in the Statement of Profit and Loss.

(Rs. in Lakhs)

| Particulars | Gratuity | | Leave Encashment | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Current Service Cost | 185.05 | 141.99 | 84.21 | 49.97 |
| Net Interest cost | 27.32 | (1.77) | 43.93 | 30.72 |
| Net Defined Benefit recognized in Statement of Profit and Loss | 212.37 | 140.22 | 128.14 | 80.69 |

iii) Recognized in Other Comprehensive Income.

(Rs. in Lakhs)

| Particulars | Gratuity | | Leave Encashment | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Actuarial (Gain)/Loss on arising from Change in Financial Assumption | (66.04) | 223.19 | (10.60) | 76.90 |
| Actuarial (Gain)/Loss on arising from Change in Demographic Assumption | -- | (0.93) | -- | (0.31) |
| Actuarial (Gain)/Loss on arising from Changes in Experience Adjustments | (100.19) | 56.89 | 12.68 | 217.18 |
| Return on Plan Asset (Excluding Interest) | (16.30) | 6.07 | -- | -- |
| Net actuarial (Gain)/Loss | (182.53) | 285.22 | 2.08 | 293.77 |

iv) Reconciliation of the opening and closing balances of fair value of Plan Assets

(Rs. in Lakhs)

| Particulars | Gratuity | | Leave Encashment | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Fair value of Plan Assets at the beginning of year | 1488.67 | 1440.58 | -- | -- |
| Expected return on plan Assets | 100.93 | 112.80 | -- | -- |
| Employer's Contribution | 402.95 | - | -- | -- |
| Admin Charges | (0.02) | (0.09) | -- | -- |
| Remeasurement of the (Gain) /Loss in Other Comprehensive Income | (16.30) | 6.07 | -- | -- |
| Return on Plan Assets excluding interest income | -- | -- | -- | -- |
| Benefits paid | (158.30) | (58.55) | -- | -- |
| Fair value of Plan Assets at the end of year | 1,850.53 | 1,488.67 | -- | -- |



v) Net Defined Benefit Assets / (Liability) recognized in the Balance Sheet

(Rs. in Lakhs)

| Particulars | Gratuity | | Leave Encashment | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Present value of the Defined Benefit Obligation at the end of year | (1821.01) | (1,891.61) | (275.27) | (647.97) |
| Fair value of Plan Assets at the end of year | 1,850.53 | 1,488.66 | - | - |
| Net Defined Benefit Assets / (Liability) recognized in the Balance Sheet | 29.52 | (402.95) | (275.27) | (647.97) |

vi) Broad categories of Plan Assets as percentage of total assets

| Particulars | Gratuity | | Leave Encashment | |
|-----------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Insurer Managed Funds | 100% | 100% | N.A. | N.A. |

vii). Sensitivity Analysis*

a) Impact of the change in the discount rate

(Rs. in Lakhs)

| Particulars | Gratuity | | Leave Encashment | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Present value of the Defined Benefit Obligation at the end of year | 1,821.01 | 1,891.61 | 275.27 | 647.97 |
| a) Impact due to increase of 1.00% (Previous year: 1.00%) | (198.06) | (213.81) | (31.56) | (73.68) |
| b) Impact due to decrease of 1.00% (Previous Year: 1.00%) | 233.77 | 253.80 | 37.71 | 87.59 |

b) Impact of the change in the salary increase

(Rs. in Lakhs)

| Particulars | Gratuity | | Leave Encashment | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Present value of the Defined Benefit Obligation at the end of year | 1821.01 | 1,891.61 | 275.27 | 647.97 |
| a) Impact due to increase of 1.00% (Previous year: 1.00%) | 236.36 | 255.83 | 38.13 | 88.29 |
| b) Impact due to decrease of 1.00% (Previous year: 1.00%) | (203.45) | (219.05) | (32.41) | (75.48) |

*Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

* Sensitivities as to rate of inflation, rate of increase of pension in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.



viii. Maturity Profile.

(Rs. in Lakhs)

| Year | Gratuity | | Leave Encashment | |
|----------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| 0 to 1 year | 63.58 | 56.70 | N. A. | |
| 1 to 2 Year | 81.46 | 67.10 | | |
| 2 to 3 Year | 42.72 | 56.31 | | |
| 3 to 4 Year | 55.60 | 72.37 | | |
| 4 to 5 Year | 96.75 | 141.09 | | |
| 5 Year onwards | 1,480.90 | 1,498.04 | | |

ix. Expected contribution for the next Annual reporting period

(Rs. in Lakhs)

| Particulars | Gratuity | | Leave Encashment | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Service Cost | 163.83 | 185.05 | 33.89 | 84.21 |
| Net Interest Cost | 3.46 | 27.32 | 19.49 | 43.93 |
| Expected Expense for the next annual reporting period | 167.29 | 212.37 | 53.18 | 128.14 |

x. Actuarial Assumptions:

Principal assumptions used for actuarial valuation are:

| Particulars | Gratuity | | Leave Encashment | |
|--|---|--------------------------------|----------------------------------|--------------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Method used | Projected unit credit method | | | |
| Discount rate | 7.08% | 6.78% | 7.08% | 6.78% |
| Salary Escalation | 5.00% | 5.00% | 5.00% | 5.00% |
| Mortality Rate | IALM (2012-14) (P. Year IALM (2012-14)) | | | |
| Withdrawal rate up to 30/45 and above 45 years | 3%/2%/1% | | | |
| Rate of return on plan assets | 7.08 P. A. | 6.78 P. A. | N.A, as there are no plan assets | |

39.5 Operating Segments

The Company is engaged in the manufacturing of the products of same type/class and has no overseas operations/units and as such there is no reportable segment as per Indian Accounting Standard (Ind AS-108) dealing with the operating segments.

39.6 Related Party Disclosures (Ind AS-24):

A. List of Related Parties and relationships

(a) Subsidiaries:

- Joyce Foam Pty Ltd., Australia
- Divya Software Solutions (P) Ltd., India
- Sleepwell Enterprises Pvt. Ltd., India
- International Foam Technologies SL, Spain
- Staqo World Pvt. Ltd., India
- SleepX US Inc., USA (Dissolved on 29.03.2021)

(b) Entities in which Key Management Personnel or their Relatives have significance influence

- Rangoli Resorts Pvt. Ltd.
- Core Moulding Pvt. Ltd.
- Sleepwell Foundation (Trust)

(e) Step-down Subsidiary:

- Interplasp, SL, Spain,
Subsidiary of International Foam Technologies SL, Spain.

(c) Key Management Personnel (KMP) :

- Mr. Rahul Gautam (Managing Director) *
 - Mr. Rakesh Chahar (Whole-time Director)
 - Mrs. Namita Gautam (Whole-time Director) *
 - Mr. Tushaar Gautam (Whole-time Director) *
- * Also having significant influence through major shareholding.

(d) Relatives of Key management Personnel:

- Late Mrs. Sheela Gautam (Mother of Mr. Rahul Gautam) (demise on 08.06.2019)

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.



B. Transactions with related parties:

| Transactions | Subsidiaries/ Step-down Subsidiary | Related Entities | Key Management Personnel | (Rs. in Lakhs) |
|---|---|-----------------------------|---|--|
| | | | | Relatives of Key Management Personnel |
| (i) Transactions during the year: | | | | |
| a. Purchase of Material / Capital Goods | 5.21 | - | - | - |
| | (266.05) | (3.59) | (-) | (-) |
| b. Sale of Material/ Capital Goods | 349.23 | 0.33 | - | - |
| | (12.91) | (0.77) | (-) | (-) |
| c. Sale of IT Support Services | 419.18 | - | - | - |
| | (380.40) | (-) | (-) | (-) |
| d. Purchase of IT Support Services | 1,170.00 | - | - | - |
| | (60.00) | (-) | (-) | (-) |
| e. Rent received | 0.36 | - | - | - |
| | (0.36) | (0.24) | (-) | (-) |
| f. Royalty paid | 10.00 | - | - | - |
| | (10.00) | (-) | (-) | (-) |
| g. Investment made | - | - | - | - |
| | (11,434.38) | (-) | (-) | (-) |
| h. Remuneration including Performance Incentives | - | - | 1,038.41 | - |
| | (-) | (-) | (932.24) | (-) |
| i. Interest paid/payable | - | - | - | - |
| | (-) | (-) | (-) | (0.67) |
| j. Rent paid | 19.07 | - | - | - |
| | (12.00) | (-) | (-) | (-) |
| k. Reimbursement of expenses | 232.42 | - | - | - |
| | (175.05) | (-) | (-) | (-) |
| l. Contributions under CSR | - | 325.00 | - | - |
| | (-) | (331.25) | (-) | (-) |
| m. Loan to subsidiary company | 209.44 | - | - | - |
| | (4753.03) | (-) | (-) | (-) |
| n. Short term advances to subsidiary company | 96.48 | - | - | - |
| | (295.08) | (-) | (-) | (-) |
| o. Repayment of short-term advances by subsidiary company | 506.42 | - | - | - |
| | (-) | (-) | (-) | (-) |
| p. Interest on loan given to subsidiary company | 296.80 | - | - | - |
| | (141.52) | (-) | (-) | (-) |
| q. Repayment of long-term loan and advances | - | - | - | - |
| | (-) | (-) | (-) | (30.61) |
| r. Financial guarantee given | - | - | - | - |
| | (16,998.00) | (-) | (-) | (-) |
| | Subsidiaries/ Step-down Subsidiary | Related Entities | Key Management Personnel | Relatives of Key Management Personnel |
| (ii) Closing balance as at 31st March, 2021 / 31st March, 2020: | | | | |
| a. Trade Receivables | 144.79 | - | - | - |
| | (177.71) | (-) | (-) | (-) |
| b. Trade Payable | 336.73 | - | - | - |
| | (59.97) | (-) | (-) | (-) |
| c. Amount payable to subsidiary company | 88.76 | - | - | - |
| | (-) | (-) | (-) | (-) |
| d. Investments | 21,371.45 | - | - | - |
| | (21,372.47) | (-) | (-) | (-) |
| e. Loan to subsidiary company | 4,847.61 | - | - | - |
| | (4,638.17) | (-) | (-) | (-) |
| f. Short term advances to subsidiary company | - | - | - | - |
| | (409.94) | (-) | (-) | (-) |
| g. Interest accrued on loan give to subsidiary company | 125.26 | - | - | - |
| | (39.96) | (-) | (-) | (-) |
| h. Financial guarantees | 17,923.72 | - | - | - |
| | (18,979.44) | (-) | (-) | (-) |
| i. Advance from customers | - | - | - | - |
| | (21.86) | (-) | (-) | (-) |

Note: (Figures in bracket are for the year ended March 31, 2020)



39.7 Leases

a. Company as Lessee

The Company has taken various properties on Operating Leases in its normal course of business which contain extension option after the initial contract period. The amounts recognized on account of leases are as under:

i. Amount recognized in Statement of Profit and Loss.

(Rs. in lakhs)

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|-------------------------------------|--|--|
| Interest expense on lease liability | 24.41 | 28.00 |
| Amortization of Right-of-use assets | 36.58 | 48.99 |

ii. Amount recognized in Balance Sheet.

(Rs. in lakhs)

| Particulars | As at 1st April, 2020 | Addition / (Deletion) during the year | As at 31 st March, 2021 |
|---|--------------------------|--|---------------------------------------|
| Lease liabilities – Non-Current | 254.40 | (63.71) | 190.69 |
| Lease liabilities - Current | 27.59 | (19.09) | 8.50 |
| Right-of-use assets (Gross) (Refer Note 4) | 2,160.80 | (82.80) | 2,078.00 |

iii. Maturity Profile

(Rs. In lakhs)

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|--|--|--|
| Maturity analysis - contractual undiscounted cash flows | | |
| Within 1 year | 29.75 | 57.27 |
| Within 2 years | 23.65 | 54.66 |
| Within 3 years | 20.45 | 49.35 |
| Within 4 years | 20.45 | 35.73 |
| Within 5 years | 20.45 | 20.44 |
| Within 6 years and upto 99 years | 1523.74 | 1,544.19 |
| Total undiscounted lease liabilities | 1638.49 | 1,761.64 |
| Impact of discounting and other adjustments | 1439.30 | 1,479.65 |
| Lease liabilities included in the Balance Sheet | 199.19 | 281.99 |

b. Company as Lessor

The Company has entered into lease agreements to lease the following properties which have been treated as "Investment Property".

| | |
|--|---|
| Land & Factory Building situated at Sikkim | The lease agreement was executed on 1 st December, 2016. The said lease is for a term of 10 years with a clause to enable upward revision of the rental charge after every 3 years. The total rent recognized as income during the year is Rs. 153.12 lakhs (Previous year: Rs. 145.99 lakhs). |
| Residential Flat situated at Greater Noida | The lease agreement was executed w.e.f. 15 th September, 2018. The said lease was initially for a term of 11 months with a clause of subsequent renewal by mutual consent and the same being ongoing renewed. The total rent recognized as income during the year is Rs. 7.08 lakhs (Previous year: Rs. 6.72 lakhs). |
| Land & Factory Building situated at Silvassa | The lease agreement was executed w.e.f. 31 st August, 2020. The said lease is for an initial period of 3 years with a clause of automatically renewal for year-on-year basis until receive termination from party. Lease rent will be increased by 5% if both parties agreed on year-on-year basis. The total rent recognized as income during the year is Rs. 28.66 lakhs (Previous year: Nil). |



39.8 Earnings per Share:

| Particulars | (Rs. in Lakhs) | |
|--|--------------------------------|--------------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Net Profit as per Statement of Profit and Loss - (Rs. in lakhs) | 18,114.96 | 16,551.12 |
| Basic/Diluted weighted average number of equity shares outstanding during the year | 4,87,82,808 | 4,87,82,808 |
| Nominal value of Equity Share (Rs.) | 5.00 | 5.00 |
| Basic/Diluted Earnings per Share (Rs.) | 37.13 | 33.93 |

39.9 Corporate Social Responsibility:

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been formed by the Company. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects. The contributions towards CSR was on the activities which are specified in Schedule VII of the Companies Act, 2013. The detail of the amount spent during the period is as under:

| | (Rs. in Lakhs) | | |
|--|---|--|--------------|
| | Amount spent during the current year ended 31st March, 2021 | Amount pending for spending as at 31st March, 2021 | Total Amount |
| - Gross Amount lying pending for the earlier year as at 01.04.2020 | | | - |
| - Gross Amount required to be spent during the year | | | 372.91 |
| - Amount spent during the year: | | | |
| a. Construction/acquisition of any asset | - | - | - |
| b. Contribution to Trusts / NGOs / Societies | 489.55 | - | 489.55 |

39.10 Financial and Derivative Instruments:

- During the year, there are no Derivative contracts entered by the Company for Hedging Currency (Previous year: Rs. 28.51 lakhs).
- Foreign currency exposures that are not hedged by derivative instruments are given below:

| Foreign Currency (FC) | Currency Symbol | As at 31 st March, 2021 | | As at 31 st March, 2020 | |
|---|-----------------|------------------------------------|-----------------|------------------------------------|-----------------|
| | | FC - Lakhs | INR - Lakhs | FC - Lakhs | INR - Lakhs |
| Liabilities | | | | | |
| Trade Payables | | | | | |
| United States Dollar | \$ | (15.37) | (1,155.46) | (7.71) | (594.36) |
| Great Britain Pound | £ | (0.06) | (6.20) | - | - |
| Euro | € | (2.47) | (208.94) | (0.51) | (43.39) |
| Chinese Yuan | ¥ | - | - | (16.04) | (182.75) |
| Advance from Customers | | | | | |
| United States Dollar | \$ | (1.14) | (85.99) | (0.02) | (1.64) |
| Euro | € | - | - | (0.23) | (21.86) |
| Assets | | | | | |
| Trade Receivables | | | | | |
| United States Dollar | \$ | 2.27 | 168.29 | 0.76 | 55.96 |
| Australian Dollar | AUD | 2.33 | 126.53 | 3.94 | 177.71 |
| Advance to Vendor | | | | | |
| United States Dollar | \$ | 1.46 | 104.71 | - | - |
| Euro | € | 0.48 | 39.88 | 1.78 | 143.58 |
| Great Britain Pound | £ | 3.63 | 356.05 | 3.64 | 329.46 |
| Loan to Subsidiary Company - Non current | | | | | |
| Euro | € | 80.00 | 4,847.61 | 80.00 | 4,638.17 |
| Advance to Subsidiary Company | | | | | |
| Euro | € | - | - | 5.36 | 409.94 |
| Net Asset (in INR lakhs) | | | 4,186.48 | | 4,910.82 |

Note: Figures in the brackets represents payables.



39.11 Fair Value Measurements

The carrying amounts and fair values of the financial instruments by class are as follows:

(Rs. in Lakhs)

| Particulars | Carrying amount/Fair value | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2021 | As at 31 st March, 2020 |
| Financial assets | | |
| <u>Carrying amounts/fair value:</u> | | |
| a) <u>Measured at fair value through profit and loss</u> | | |
| Non-current assets | | |
| – Investments | – | 1,182.97 |
| Current assets | | |
| – Investments | 7,387.88 | 21,791.76 |
| b) <u>Measured at fair value through other comprehensive income</u> | | |
| Non-current assets | | |
| – Investments | 30,359.64 | – |
| Current assets | | |
| – Investments | 3,212.45 | – |
| c) <u>Measured at amortised cost</u> | | |
| Non-current assets | | |
| – Investments | 0.35 | 0.35 |
| – Loans | 5,067.75 | 4,844.81 |
| – Other non-current financial assets | 5.79 | 31.61 |
| Current assets | | |
| – Trade receivables | 16,304.60 | 12,640.27 |
| – Cash and cash equivalents | 3,503.54 | 2,889.45 |
| – Bank balances other than cash and cash equivalents | 47.63 | 25.65 |
| – Loans | 555.24 | 561.25 |
| – Other current financial assets | 1,462.47 | 1,001.07 |
| Total | 67,907.34 | 44,969.19 |
| Financial liabilities | | |
| <u>Carrying amounts/fair value:</u> | | |
| a) <u>Measured at fair value through profit and loss</u> | | |
| Financial Guarantee Contracts | – | – |
| b) <u>Measured at fair value through other comprehensive income</u> | | |
| – | – | – |
| c) <u>Measured at amortised cost</u> | | |
| Non-current liabilities | | |
| – Lease liabilities | 190.69 | 254.40 |
| – Other non-current financial liabilities | 8,444.62 | 7,372.61 |
| Current liabilities | | |
| – Borrowings | – | 2.45 |
| – Lease liabilities | 8.50 | 27.59 |
| – Trade payables | 16,020.56 | 11,405.45 |
| – Other current financial liabilities | 8,373.06 | 7,391.54 |
| Total | 33,037.43 | 26,454.04 |

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The Company has disclosed financial instruments such as trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.



Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Disclosures of fair value measurement hierarchy for financial instruments are given below:

| Particulars | Carrying amount/Fair value | | | | | |
|---|------------------------------------|------------------|------------------|------------------------------------|----------|------------------|
| | As at 31 st March, 2021 | | | As at 31 st March, 2020 | | |
| | L-1 | L-2 | L-3 | L-1 | L-2 | L-3 |
| Financial assets | | | | | | |
| <u>Carrying amounts/fair value:</u> | | | | | | |
| a) Measured at fair value through profit and loss | | | | | | |
| Non-current assets | | | | | | |
| - Investments | - | - | - | 1,182.97 | - | - |
| Current assets | | | | | | |
| - Investments | 7,387.68 | - | - | 21,791.76 | - | - |
| b) Measured at fair value through other comprehensive income | | | | | | |
| Non-current assets | | | | | | |
| - Investments | - | 30,359.64 | - | - | - | - |
| Current assets | | | | | | |
| - Investments | - | 3,212.45 | - | - | - | - |
| c) Measured at amortised cost | | | | | | |
| Non-current assets | | | | | | |
| - Investments | - | - | 0.35 | - | - | 0.35 |
| - Loans | - | - | 5,067.75 | - | - | 4,844.81 |
| - Other non-current financial assets | - | - | 5.79 | - | - | 31.61 |
| Current assets | | | | | | |
| - Trade receivables | - | - | 16,304.60 | - | - | 12,640.27 |
| - Cash and cash equivalents | - | - | 3,503.54 | - | - | 2,889.45 |
| - Bank balances other than cash and cash equivalents | - | - | 47.63 | - | - | 25.65 |
| - Loans | - | - | 555.24 | - | - | 561.25 |
| - Other current financial assets | - | - | 1,462.47 | - | - | 1,001.07 |
| Total | 7,387.88 | 33,572.09 | 26,946.77 | 22,974.73 | - | 21,994.46 |
| Financial liabilities | | | | | | |
| <u>Carrying amounts/fair value:</u> | | | | | | |
| a) Measured at fair value through profit and loss | | | | | | |
| Financial Guarantee Contracts | - | - | - | - | - | - |
| b) Measured at fair value through other comprehensive income | | | | | | |
| c) Measured at amortised cost | | | | | | |
| Non-current liabilities | | | | | | |
| - Borrowings | - | - | 190.69 | - | - | 254.40 |
| - Lease liabilities | - | - | 8,444.62 | - | - | 7,372.61 |
| - Other non-current financial liabilities | - | - | - | - | - | - |
| Current liabilities | | | | | | |
| - Borrowings | - | - | 8.50 | - | - | 2.45 |
| - Lease liabilities | - | - | 16,020.56 | - | - | 11,405.45 |
| - Trade payables | - | - | 8,373.06 | - | - | 7,391.54 |
| - Other current financial liabilities | - | - | - | - | - | - |
| Total | - | - | 33,037.43 | - | - | 26,454.04 |



39.12 Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary, adjust, its capital structure.

39.13 Financial risk management objectives and policies

The Company's principal financial liabilities, comprise of borrowings, security deposits, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. Further, the Company has financial risk / exposer of financial guarantees given to the banks towards security against the loans taken by its foreign subsidiaries, however, considering that there is no expected credit losses, there is no financial liability as at the yearend on this account. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include borrowings, security deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2021. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2021.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from various countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EURO, GBP, Chinese Yuan, AED and AUD exchange rates, with all other variables held constant. The impact on the Company profit before tax is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise are as under:



(Rs. in Lakhs)

| Foreign Currency (FC) | Currency Symbol | As at 31 st March, 2021 | | As at 31 st March, 2020 | |
|---|-----------------|------------------------------------|------------|------------------------------------|----------|
| | | FC | INR | FC | INR |
| Liabilities | | | | | |
| Trade Payables | | | | | |
| United States Dollar | \$ | (15.37) | (1,155.46) | (7.71) | (594.36) |
| Great Britain Pound | £ | (0.06) | (6.20) | -- | -- |
| Euro | € | (2.47) | (208.94) | (0.51) | (43.39) |
| Chinese Yuan | ¥ | -- | -- | (16.04) | (182.75) |
| Advance from Customers | | | | | |
| United States Dollar | \$ | (1.14) | (85.99) | (0.02) | (1.64) |
| Euro | € | -- | -- | (0.23) | (21.86) |
| Assets | | | | | |
| Trade Receivables | | | | | |
| United States Dollar | \$ | 2.27 | 168.29 | 0.76 | 55.96 |
| Australian Dollar | AUD | 2.33 | 126.53 | 3.94 | 177.71 |
| Advance to Vendor | | | | | |
| United States Dollar | \$ | 1.46 | 104.71 | -- | -- |
| Euro | € | 0.48 | 39.88 | 1.78 | 143.58 |
| Great Britain Pound | £ | 3.63 | 356.05 | 3.64 | 329.46 |
| Loan to Subsidiary Company - Non current | | | | | |
| Euro | € | 80.00 | 4,847.61 | 80.00 | 4,638.17 |
| Advance to Subsidiary Company | | | | | |
| Euro | € | -- | -- | 5.36 | 409.94 |
| Net Asset (in INR lakhs) | | 4,186.48 | | 4,910.82 | |

| Impact on profit before tax and equity | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|------------------------------------|------------------------------------|
| 5% Increase | (+) 209.32 | (+) 244.11 |
| 5% Decrease | (-) 209.32 | (-) 244.11 |

Note: Figures in bracket represents payables

(ii) **Interest Rate Risk**

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises mainly of interest-bearing vehicle loans, loans and advances from related parties and security deposits, however, these are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

(iii) **Commodity Price Risk**

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of bedding articles, home comfort products, furniture cushioning and specialized foam and therefore require a continuous supply of raw materials i.e. TDI and Polyol being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the TDI and Polyol, the Company has entered into various purchase contracts for these material for which there is an active market. The Company's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for the purchase of these material and further the Company increases prices of its products as and when appropriate to minimize the impact of increase in raw material prices.



(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

i) Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating review and individual credit limits are defined in accordance with this assessment. The Company regularly monitors its outstanding customer receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

ii) Financial instruments and cash & bank deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits, bonds, debentures and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31st March, 2021 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

| Particulars | As at | |
|--|------------------------------|------------------------------|
| | 31 st March, 2021 | 31 st March, 2020 |
| Non-current assets | | |
| - Investments | 30,359.99 | 1,183.32 |
| - Loans | 5,067.75 | 4,844.81 |
| - Other non-current financial assets | 5.79 | 31.61 |
| Current assets | | |
| - Investments | 10,600.33 | 21,791.76 |
| - Trade receivables | 16,304.60 | 12,640.27 |
| - Cash and cash equivalents | 3,503.54 | 2,889.45 |
| - Bank balances other than cash and cash equivalents | 47.63 | 25.65 |
| - Loans | 555.24 | 561.25 |
| - Other current financial assets | 1,462.47 | 1,001.07 |
| Total | 67,907.34 | 44,969.19 |

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis and loss allowance of trade receivables given below has been considered from the date the invoice falls due:

| Particulars | As at | |
|-----------------------------|------------------------------|------------------------------|
| | 31 st March, 2021 | 31 st March, 2020 |
| Not Due | 13,592.78 | 8,531.74 |
| Due from 0 to 180 days | 2,529.68 | 3,285.31 |
| Due from more than 180 days | 241.11 | 933.38 |
| Less: Loss Allowance | (58.97) | (110.16) |
| Total | 16,304.60 | 12,640.27 |

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short-term bank deposits, short term investments and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be very low.



Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date:

| Particulars | Carrying Value | Less than 1 year | More than 1 Year |
|--|------------------|------------------|------------------|
| As at 31st March, 2021 | | | |
| Lease liabilities | 199.19 | 8.50 | 190.69 |
| Trade payables | 16,020.56 | 16,020.56 | -- |
| Other non-current financial liabilities | 8,444.62 | -- | 8,444.62 |
| Other current financial liabilities | 8,373.56 | 8,373.56 | -- |
| Total | 33,037.93 | 24,402.62 | 8,635.31 |

| Particulars | Carrying Value | Less than 1 year | More than 1 Year |
|--|------------------|------------------|------------------|
| As at 31st March, 2020 | | | |
| Lease liabilities | 281.99 | 27.59 | 254.40 |
| Trade payables | 11,405.45 | 11,405.45 | -- |
| Other non-current financial liabilities | 7,372.61 | -- | 7,372.61 |
| Other current financial liabilities | 7,391.54 | 7,391.54 | -- |
| Total | 26,451.59 | 18,824.58 | 7,627.01 |

39.14 Disclosure required under Section 186 (4) of the Companies Act, 2013.

Particulars of transaction made during the year and outstanding balance as at the end of the year:

| Sr. No. | Name of the Investee | Nature of Transaction | Purpose for which it is utilized | 2020-21 | | 2019-20 | |
|---------|---|---------------------------|---|-----------------|---------------------|-----------------|---------------------|
| | | | | During the Year | Outstanding Balance | During the Year | Outstanding Balance |
| 1. | Joyce Foam Pty. Ltd., Australia, Wholly Owned Subsidiary | Investment | Manufacturing of technical foam supplied to Business customers (mattress and furniture manufacturers) in Australia | -- | 2,306.59 | -- | 2,306.59 |
| | | Financial Guarantee given | Corporate guarantee given to bank for security towards long term working capital facility availed by the said Subsidiary. | -- | 2,672.56 | -- | 1,981.44 |
| 2. | Divya Software Solutions Pvt. Ltd., India Wholly Owned Subsidiary | Investment | Engaged in Software development and related ancillary activities | -- | 7,602.00 | 79.70 | 7,602.00 |
| 3. | Sleepwell Enterprises Pvt. Ltd., India Wholly Owned Subsidiary | Investment | The Company, which is holding ownership of Sleepwell and other brands related to foam, mattress & other products. | -- | 109.20 | -- | 109.20 |
| 4. | International Foam Technologies SL, Spain Wholly Owned | Investment | To invest in a running Company in Spain, engaged in manufacturing of Polyurethane Foam. | -- | 11,352.93 | 11,352.93 | 11,352.93 |
| | | Financial Guarantee | | -- | 15,251.16 | 16,998.00 | 16,998.00 |
| | | Loans | | 209.44 | 4,847.61 | 4,638.17 | 4,638.17 |

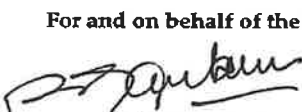
| | | | | | | | |
|----|---|------------|--|--------------------------------------|------|--------|--------|
| | Subsidiary (w.e.f. 12.06.2019) | Advance | Upfront fees paid on behalf of Subsidiary on account of Loan taken from Citi Bank Spain and other advance. | (409.34) (net) | -- | 409.34 | 409.34 |
| 5. | SleepX US Inc. USA Wholly Owned Subsidiary (investment w.e.f. 04.10.2019 and dissolved on 29.03.2021) | Investment | Marketing of the products of the Company in USA. | 1.02 (written off on dissolution) | -- | 1.02 | 1.02 |
| 6. | Staqa World Pvt. Ltd., India Wholly Owned Subsidiary, (w.e.f. 10.02.2020) | Investment | To carry on business of Information technology and related ancillary services. | -- | 0.73 | 0.73 | 0.73 |

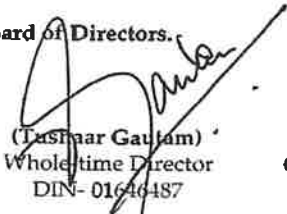
39.15 The Company in the year 2016-17, had lodged an insurance claim towards the fire in its unit at Greater Noida, and as the management was confident of recovery of the said claim, the loss of Rs. 1199.49 lakhs incurred in the fire was accounted for as "Insurance Claim Receivable". However, as in-spite of continuous follow up, there was no concrete evidence / reasonable positive indication of its recovery, the said claim which was lying under receivable had been written off and debited to the Statement of Profit and Loss, as Exceptional Item during the earlier year 2019-20.

39.16 The SARS-CoV-2 virus responsible for COVID-19, which has been declared a Global pandemic by the World Health Organization in 2020, had led to nation-wide lockdown during the year for a quite considerable time. It contributed to a significant decrease in global and local economic activities, and consequently, the revenues and the profitability for the year ended March 31, 2021 have been adversely affected. Further, presently the said pandemic, is re-spreading and is on increasing trend across the globe including India, with various mutating variants. In assessing the recoverability of financial and non-financial assets, the Company has considered internal and external information including economic forecasts available, and based on such information and assessment, the Company expects to recover the carrying amount of these assets. The impact of the pandemic may differ from that estimated as at the date of approval of these financial statements, and such changes, if any, will be prospectively recognized. Further, the extent to which the COVID-19 pandemic will impact the Company's future activities and financial results will depend on future developments which are highly uncertain, and as such no impact thereof, if any required, could be taken in these financial statements.

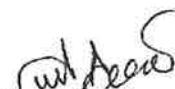
39.17 The previous year's figures have been re-grouped/re-classified wherever considered necessary.

For and on behalf of the Board of Directors.


(Rahul Gautam)
Managing Director
DIN-00192999


(Tushaar Gautam)
Whole-time Director
DIN- 01646487


(Dhruv Mathur)
Chief Financial Officer


(Md. Iqbal Ahmad)
Company Secretary
M.No.-A20921

As per our report of even date attached.

For S.P. CHOPRA & CO.
Chartered Accountants
Firm Regn. No. 000346N

Place : Noida
Dated: 29th May, 2021



S.P. CHOPRA & CO.
Chartered Accountants

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 'SHEELA FOAM LIMITED'
ON CONSOLIDATED FINANCIAL STATEMENTS**

Opinion

We have audited the accompanying consolidated financial statements of **Sheela Foam Limited** (hereinafter referred to as the "Holding Company") and its Subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2021 and its consolidated total comprehensive income, its consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



| Key Audit Matters | How the matter was addressed in the audit |
|--|--|
| <p><u>Useful lives of Property, Plant & Equipment</u></p> <p>(Refer to Notes 3 and 5 to the consolidated financial statements)</p> <p>The property, plant and equipment are depreciated on a pro-rata basis on written down value / straight line, over the useful lives of the assets, as estimated by the management. These estimations are based on changes in the expected level of usage, technological developments, level of wear and tear, which involves high degree of the estimation and judgement and could affect the reported residual value and depreciation of the assets. As the value of property, plant and equipment is substantial i.e. Rs. 51,902.17 lakhs, which is 25% of the total assets of the Group, therefore any change in these estimates or actual results could have a substantial impact on the profit/ assets in future years and completeness and accuracy of the financial statements.</p> | <p><u>Our Audit Procedure :</u></p> <p>We obtained and evaluated the management's estimations and specifically performed the work as under:</p> <ul style="list-style-type: none"> - Compared the key assumptions, used within the impairments models to the historic performance of the respective group of assets and approved estimates. - Benchmarking the key assumptions, used with in the impairment models and past history of the replacement age etc. and repairs requirements / cost etc. <p><u>Our Results:</u></p> <p>As a result of performance of above procedures, we have not identified any circumstances that would lead to material adjustments to the carrying value of these assets, or change in their useful lives.</p> |
| <p><u>Fair Value measurement of Financial Instruments</u></p> <p>(Refer to Note 40.11 to the consolidated financial statements)</p> <p>Fair value of financial assets and financial liabilities have been measured using valuation techniques where the financial instruments are not quoted in active market. The inputs to these techniques / models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility, which involve high degree of the estimation and judgement and could affect the reported fair value of financial instruments.</p> | <p><u>Our Audit Procedure :</u></p> <p>The Group has carried out the valuation of the financial instruments after applying judgments and estimates. We have conducted the verification of the data provided to us by the Group with respect to its correctness and completeness vis-à-vis the financial accounts / records of the Group, and held interaction with the management to understand their process and results and the implementation and usage of valuation techniques / models. This included the review of the controls over adjustments to mitigate model limitations and assumptions.</p> <p><u>Our Results:</u></p> <p>The results of our testing were satisfactory and we considered the fair value of the financial instruments assets and liabilities recognised to be acceptable.</p> |



Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report and Directors' Report, including annexures thereon, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of the Group.



Auditor's Responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 SAs 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 consolidated financial statements.

As part of an audit in accordance with SAs, we along with auditor's of Subsidiary Companies exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company and its Subsidiary companies incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are Independent auditors 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a. We did not audit the financial statements of one foreign Subsidiary Company, namely Joyce Foam Pty. Limited and Controlled Entity, incorporated in Australia whose financial statements reflect total assets of Rs. 35,720 lakhs as at 31st March, 2021, and total revenues of Rs. 41,767 lakhs, total net profit after tax of Rs. 2,695 lakhs, total comprehensive income of Rs. 2,695 lakhs and net cash inflow of Rs. 75 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by its auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far it relates to the amounts and disclosures included in respect of this Subsidiary, is based solely on the report of the said auditor.
- b. We did not audit the financial statements of one foreign Subsidiary Company, namely International Foam Technologies SL, Spain and Subsidiaries, incorporated in Spain, whose financial statements reflect total assets of Rs. 48,398 lakhs as at 31st March, 2021, and total revenues of Rs. 33,674 lakhs, total net profit after tax of Rs. 3,511 lakhs, total comprehensive income of Rs. 3,511 lakhs and net cash inflow of Rs. 448 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by its auditor, and they have placed their audit report to the Board of Directors of the Subsidiary, and the same has been adopted by the Board along with the financial statements. The audit report, as informed, will be issued by the auditor after completion of certain procedural formalities as required under the relevant law of their country, and accordingly our opinion on the consolidated financial statements, in so far it relates to the amounts and disclosures included in respect of this Subsidiary, is based solely on the said report of the auditor as adopted by the Board of Directors of the Subsidiary, but not yet issued by them pending completion of the procedural formalities.
- c. The financial statements of the foreign subsidiaries as mentioned in above 'paras a and b' have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of these subsidiaries located outside India from accounting principles generally accepted in



their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of these subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- d. We did not audit the financial results of two Subsidiary Companies incorporated in India, namely Divya Software Solutions Pvt. Ltd. and Staqa World Pvt. Ltd., whose financial statements reflect total assets of Rs. 6,699 lakhs as at 31st March, 2021, and total revenues of Rs. 1,363 lakhs, total net loss after tax of Rs. 131 lakhs, total comprehensive loss of Rs. 77 lakhs, and net cash inflows of Rs. 31 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by their respective auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far it relates to the amounts and disclosures included in respect of these Subsidiaries, is based solely on the reports of these auditors.
- e. During the previous year, the Holding Company had incorporated a Wholly Owned Subsidiary Company (WOS) in Delaware, USA, for the purpose of marketing of its products in USA, however, as no share capital had been subscribed or investment had been made therein, there was no impact of the same on the financial statements except that the expenditures incurred for acquisition were capitalised as investment in WOS. Further, during the year the Holding Company has dissolved the said Subsidiary and expenditure incurred for acquisition has been written off, and as such there is no impact of the same on the consolidated financial statements.

Our opinion on the consolidated financial statements, and our Report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books and reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
- e. on the basis of the written representations received from the directors of the Holding Company and Subsidiary Company incorporated in India audited by us and taken on record by the Board of Directors, and the reports of the statutory



auditors of the Subsidiary companies incorporated in India not audited by us, none of the directors of the Holding Company and its Subsidiary companies incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of the internal financial controls with reference to financial statements and operating effectiveness of such controls of the Holding Company and Subsidiary Company incorporated in India audited by us, and of the Subsidiary Companies incorporated in India, not audited by us (as reported by their auditors), refer to our separate report in **Annexure-'A'**; and
- g. In our opinion, the remuneration paid by the Holding Company and Subsidiary Company incorporated in India audited by us, and by the Subsidiary companies incorporated in India, not audited by us (as reported by their auditors), to its Directors is in accordance with the provisions of Section 197 of the Companies Act, 2013; and
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 40.1 to the consolidated financial statements;
 - ii. The Holding Company and its Subsidiary companies incorporated in India, have not entered into any long-term contracts including derivative contracts.
 - iii. There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary companies incorporated in India.

For S. P. Chopra & Co.
Chartered Accountants
Firm Regn. No. 000346N



Place: Noida.
Dated: 29th May, 2021

ANNEXURE-'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of the independent auditors report of even date on the consolidated financial statements of Sheela Foam Limited for the year ended 31st March, 2021)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Sheela Foam Limited** ("the Holding Company") and its Subsidiaries incorporated in India (the Holding Company and its Subsidiaries together referred as "the Group") for the year ended 31st March, 2021, in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Subsidiary companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its Subsidiary companies incorporated in India have, in all material respects, adequate internal financial controls with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the financial statements in so far as it relates to two Subsidiary companies incorporated in India, namely Divya Software Solutions Pvt. Ltd. and Staqa World Pvt. Ltd, is based on the corresponding reports of the auditors of these Companies.

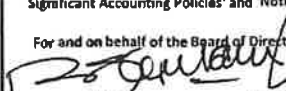
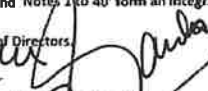
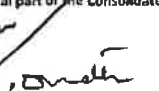
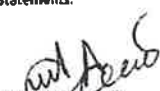
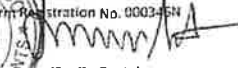
Our opinion is not modified in respect of the above matter.

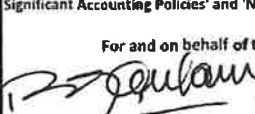
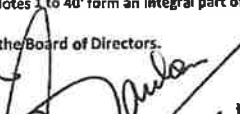
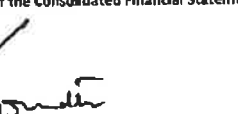

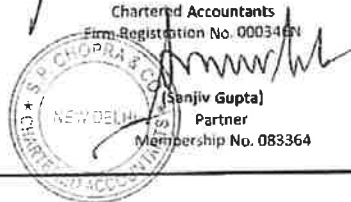
For S. P. Chopra & Co.
Chartered Accountants
Firm Regn. No. 000346N


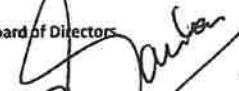

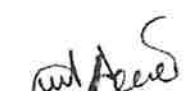
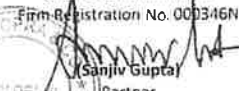


(Sanjiv Gupta)
Partner
No. 083364

Place : Noida
Dated : 29th May, 2021

| SHEELA FOAM LIMITED | | | |
|--|--|--|--|
| CONSOLIDATED BALANCE SHEET AS AT 31st March, 2021 | | | |
| (Rs. in Lakhs) | | | |
| Particulars | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, Plant and Equipment | 3 | 45,787.44 | 42,044.10 |
| Capital work in progress | | 466.44 | 1,797.32 |
| Right-of-use Assets | 4 | 14,437.06 | 11,665.75 |
| Investment Property | 5 | 5,648.29 | 5,904.48 |
| Goodwill | 3 | 26,306.68 | 25,459.00 |
| Other Intangible Assets | 3 | - | 1.44 |
| Financial Assets | | | |
| - Investments | 6 | 30,359.99 | 1,183.32 |
| - Loans | 7 | 274.52 | 258.29 |
| - Other non-current financial assets | 8 | 260.08 | 212.91 |
| - | 9 | - | 40.83 |
| Non-current tax assets (net) | | - | - |
| Other non-current assets | 10 | 264.38 | 134.21 |
| | | 1,23,804.88 | 88,701.65 |
| Current assets | | | |
| Inventories | 11 | 31,530.73 | 22,685.84 |
| Financial Assets | | | |
| - Investments | 12 | 10,701.16 | 21,960.09 |
| - Trade receivables | 13 | 30,215.33 | 21,577.35 |
| - Cash and cash equivalents | 14 | 5,736.31 | 4,420.71 |
| - Bank balances other than cash and cash equivalents | 15 | 73.78 | 50.93 |
| - Loans | 16 | 555.24 | 561.25 |
| - Other current financial assets | 17 | 1,343.22 | 554.17 |
| Other current assets | 18 | 3,624.57 | 83,780.34 |
| | | 3,886.43 | 75,686.77 |
| TOTAL ASSETS | | 2,07,585.22 | 1,64,388.42 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 19 | 2,439.14 | 2,439.14 |
| Other Equity | 20 | 1,15,988.90 | 89,535.12 |
| Equity attributable to shareholders of the Holding Company | | 1,18,428.04 | 91,974.26 |
| Non-controlling Interest | | 891.82 | 667.38 |
| | | 1,19,320.86 | 92,641.64 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial Liabilities | | | |
| - Borrowings | 21 | 13,263.48 | 15,713.15 |
| - Lease liabilities | 40.7 | 10,855.07 | 8,238.51 |
| - Other non-current financial liabilities | 22 | 8,444.62 | 7,372.61 |
| Provisions | 23 | 646.23 | 859.38 |
| Deferred tax liabilities (Net) | 24D | 887.87 | 34,097.27 |
| | | 1,091.93 | 33,275.58 |
| Current liabilities | | | |
| Financial liabilities | | | |
| - Borrowings | 25 | 7,289.14 | 3,601.77 |
| - Lease liabilities | 40.7 | 2,005.17 | 1,594.19 |
| - Trade payables | 26 | - | - |
| a) Total outstanding dues of micro enterprises and small enterprises | | 1,168.31 | 330.31 |
| b) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 21,796.20 | 15,014.24 |
| - Other current financial liabilities | 27 | 12,586.54 | 10,744.56 |
| Provisions | 28 | 1,470.25 | 1,288.25 |
| Current tax liabilities (net) | 29 | 453.58 | - |
| Other current liabilities | 30 | 7,387.90 | 54,167.09 |
| | | 5,897.88 | 38,471.20 |
| TOTAL EQUITY AND LIABILITIES | | 2,07,585.22 | 1,64,388.42 |
| Significant Accounting Policies' and 'Notes 1 to 40' form an integral part of the Consolidated Financial Statements. | | | |
| For and on behalf of the Board of Directors | | | |
|  (Rahul Gautam) Managing Director DIN : 00192999 |  (Tushant Gautam) Whole-time Director DIN : 01646487 |  (Dhruv Mathur) Chief Financial Officer |  (Md. Iqbal Ahmad) Company Secretary M. No. A20921 |
| As per our Report of even date attached | | | |
| S. P. Chopra & Co. Chartered Accountants Firm Registration No. 0003454 | | | |
|  (Sanjiv Gupta) Partner Membership No. 083364 | | | |
| Place: Noida Dated: 29th May, 2021 | | | |

| SHEELA FOAM LIMITED | | | |
|--|--|---|--|
| CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2021 | | | |
| (Rs. In Lakhs) | | | |
| Particulars | Note No. | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| INCOME: | | | |
| Revenue From Operations | 31 | 2,43,535.75 | 2,17,363.40 |
| Other Income | 32 | 5,207.76 | 3,998.33 |
| Total Income | | 2,48,743.51 | 2,21,362.23 |
| EXPENSES: | | | |
| Cost of materials consumed | 33 | 1,36,735.36 | 1,08,809.66 |
| Purchases of Stock-in-Trade | 34 | 1,799.48 | 1,798.33 |
| Other manufacturing expenses | 35 | 5,911.06 | 7,062.58 |
| Changes in inventories of finished goods, stock-in-process and stock-in-trade | 36 | (600.44) | (144.08) |
| Employee benefits expense | 37 | 23,170.41 | 22,035.40 |
| Finance costs | 38 | 1,768.27 | 1,299.61 |
| Depreciation and amortization expense | 3 to 5 | 7,286.73 | 5,904.43 |
| Other expenses | 39 | 40,288.12 | 47,760.01 |
| Total Expenses | | 2,16,358.99 | 1,94,525.94 |
| Profit before exceptional items & tax | | 32,384.52 | 26,836.29 |
| Exceptional items | | | |
| Insurance claim receivable written off | 40.16 | - | 1,199.49 |
| Profit before tax | | 32,384.52 | 25,636.80 |
| Tax expense: | 24 | | |
| Current tax | 24A | 8,460.28 | 6,676.99 |
| - Current year's | | (42.32) | 0.38 |
| - Earlier year's | 24D | (48.58) | (469.19) |
| Deferred tax | | 8,369.38 | 6,208.18 |
| Profit for the year | | 24,015.14 | 19,428.62 |
| Other Comprehensive Income : | | | |
| a. Items that will not be reclassified to profit or loss | | | |
| - Re-measurements Gain/(losses) on defined benefit plans | 40.4 | 252.96 | (578.93) |
| - Income tax effects | 24B | (63.66) | 145.72 |
| b. Items that will be reclassified to profit or loss | | | |
| - Fair value gain on investment | | 100.06 | - |
| - Income tax effects | | (25.18) | - |
| - Exchange differences on translation of foreign operations | | 1,616.92 | 126.51 |
| Other Comprehensive Gain/(Loss) for the year | | 1,881.10 | (306.76) |
| Total Comprehensive Income for the year | | 25,896.24 | 19,121.86 |
| Profit for the year attributable to: | | | |
| Shareholders of the Holding Company | | 23,772.07 | 19,342.75 |
| Non-controlling Interest | | 243.07 | 85.87 |
| | | 24,015.14 | 19,428.62 |
| Other Comprehensive Loss for the year attributable to: | | | |
| Shareholders of the Holding Company | | 1,881.10 | (306.76) |
| Non-controlling Interest | | - | - |
| | | 1,881.10 | (306.76) |
| Total Comprehensive Income for the year attributable to: | | | |
| Shareholders of the Holding Company | | 25,653.17 | 19,035.99 |
| Non-controlling Interest | | 243.07 | 85.87 |
| | | 25,896.24 | 19,121.86 |
| Earnings per share- Basic/Diluted in Rs. | 40.8 | 49.73 | 39.83 |
| Significant Accounting Policies' and 'Notes 1 to 40' form an integral part of the Consolidated Financial Statements. | | | |
| For and on behalf of the Board of Directors. | | | |
|  (Rahul Gautam) Managing Director DIN : 00192999 |  (Pushkar Gautam) Whole-time Director DIN : 01646487 |  (Dhruv Mathur) Chief Financial Officer |  (Md. Iqbal Ahmad) Company Secretary M. No. A20921 |
| As per our Report of even date attached S. P. Chopra & Co. Chartered Accountants Firm Registration No. 0003464 | | | |
|  (Sanjiv Gupta) Partner Membership No. 083364 | | | |
| Place: Noida Dated: 29th May, 2021 | | | |

| SHEELA FOAM LIMITED | | | | |
|--|--|--|--|-------------|
| CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2021 | | | | |
| (Rs. in Lakhs) | | | | |
| Particulars | Year Ended 31st March, 2021 | | Year Ended 31st March, 2020 | |
| | Amount | Total | Amount | Total |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit before tax as per statement of profit and loss | | 32,384.52 | | 25,636.80 |
| Adjustments for: | | | | |
| Depreciation and amortisation expense | 7,286.73 | | 5,904.43 | |
| Insurance claim receivable written off | - | | 1,199.49 | |
| Finance costs | 1,768.27 | | 1,299.61 | |
| Advances/Balances written off | 59.67 | | 212.30 | |
| Provision for doubtful receivables | 207.39 | | 123.07 | |
| Bad debts written off | 69.88 | | - | |
| Fair value gain on investments (net) | (356.85) | | (659.37) | |
| Profit on sale of investments (net) | (1,698.03) | | (1,516.19) | |
| Liabilities/provisions no longer required written back | (19.05) | | (10.73) | |
| Unrealised foreign exchange loss (net) | (32.99) | | (17.01) | |
| Interest income | (1,375.89) | | (469.99) | |
| Investment written off | 1.02 | | - | |
| Property, Plant & Equipment written off (net) | 13.26 | | 26.65 | |
| (Profit)/ Loss on sale of property, plant and equipment (net) | (51.93) | | (266.97) | |
| | | 5,871.47 | | 5,325.29 |
| Operating profit before working capital changes | | 38,255.99 | | 31,462.09 |
| Adjustment for working capital changes: | | | | |
| (Increase) in inventories | (8,844.89) | | (3,972.17) | |
| (Increase) in loans and trade receivables | (8,985.13) | | (7,212.00) | |
| Decrease in other financial and non-financial assets | 27.11 | | 135.71 | |
| Increase in trade payables | 7,652.94 | | 1,041.39 | |
| Increase/(Decrease) in lease liabilities, other financial liabilities, non-financial liabilities and provisions | 6,111.29 | | (1,560.56) | |
| Cash used in Working Capital Changes | | (4,038.68) | | (11,567.64) |
| Cash generated from operations | | 34,217.31 | | 19,894.46 |
| Income Tax paid (net) | | (8,186.87) | | (4,163.97) |
| Net Cash inflow from Operating Activities - A | | 26,030.44 | | 15,730.48 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of property, plant and equipment including capital work in progress | (5,474.60) | | (15,851.79) | |
| Sale/adjustment/write-off of property, plant and equipment | 145.82 | | 306.16 | |
| Recognition of Goodwill due to business combination | - | | (24,640.44) | |
| Recognition of intangible assets due to business combination | - | | (1.44) | |
| Deposits matured/made during the year | (70.41) | | 193.92 | |
| Investment in bonds, debentures and mutual funds (net) | (15,762.81) | | 10,787.95 | |
| Interest income | 691.86 | | 491.78 | |
| Net Cash (outflow)/inflow from Investing Activities - B | | (21,470.14) | | (28,713.84) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Non controlling interest in a subsidiary company due to business combination | - | | 581.51 | |
| Dividend paid to Non-controlling interest | (235.69) | | - | |
| Capital Subsidy received during the year | 75.97 | | - | |
| Proceeds from Secured long term borrowings | - | | 16,316.17 | |
| Proceeds from Unsecured long term borrowings | - | | 737.31 | |
| Repayment of Secured long term borrowings | (2,677.78) | | (232.79) | |
| Repayment of Unsecured long term borrowings | (144.28) | | (29.57) | |
| Repayment of Secured short term borrowings | (2.45) | | (1,696.63) | |
| Proceeds from Secured short term borrowings | 1,053.09 | | - | |
| Proceeds from Unsecured short term borrowings | 2,627.89 | | 3,032.02 | |
| Payment of principal portion of lease liabilities | (2,163.18) | | (1,726.90) | |
| Payment of interest portion of lease liabilities | (422.88) | | (204.10) | |
| Finance costs | (1,345.39) | | (1,067.09) | |
| Net Cash (outflow)/inflow from Financing Activities - C | | (3,234.70) | | 15,709.93 |
| Net increase in cash and cash equivalents (A+B+C) | | 1,325.60 | | 2,726.58 |
| Cash and cash equivalents (Opening Balance) | | 4,410.71 | | 1,684.13 |
| Cash and cash equivalents (Closing Balance) | | 5,736.31 | | 4,410.71 |
| Note to Statement of cash flows : | | | | |
| - Components of Cash and cash equivalents as under : | | | | |
| - Balance with Banks - Current Accounts | 3,319.14 | | 2,396.74 | |
| - Cash on Hand | 17.17 | | 13.97 | |
| - Deposit with original maturity less than 3 months | 2,400.00 | | 2,000.00 | |
| | | 5,736.31 | | 4,410.71 |
| - Figures in brackets indicate cash outflow | | | | |
| - The above Statement of cash flows has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flows | | | | |
| Significant Accounting Policies and 'Notes 1 to 40' form an Integral part of the Financial Statements. | | | | |
| For and on behalf of the Board of Directors | | | | |
|  (Rahul Gautam) Managing Director DIN : 00192999 |  (Jyoti Gautam) Whole-time Director DIN : 01646487 |  (Dhruv Mathur) Chief Financial Officer |  (Md. Imteyaz Ahmad) Company Secretary M. No. - A20921 | |
| As per our Report of even date attached S. P. Chopra & Co. Chartered Accountants Firm Registration No. 003346N | | | | |
|  (Sanjiv Gupta) Partner Membership No. 083364 | | | | |
| Place: Noida | | | | |
| Dated: 29th May 2021 | | | | |

SHEELA FOAM LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st March, 2021

(A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2021

(Rs. In Lakhs)

| Balance as at 01st April, 2019 | Changes in equity share capital during the year | Balance as at 31st March, 2021 |
|--------------------------------|---|--------------------------------|
| 2,439.14 | - | 2,439.14 |

For the year ended 31st March, 2020

(Rs. In Lakhs)

| Balance as at 01st April, 2018 | Changes in equity share capital during the year | Balance as at 31st March, 2020 |
|--------------------------------|---|--------------------------------|
| 2,439.14 | - | 2,439.14 |

(B) OTHER EQUITY

For the year ended 31st March, 2021

(Rs. In Lakhs)

| Particulars | Retained Earnings | Capital Reserve | General Reserve | Foreign Currency Translation Reserve | Other comprehensive Income-Other Items | Capital Subsidy | Non-controlling Interest | Total |
|---|-------------------|-----------------|-----------------|--------------------------------------|--|-----------------|--------------------------|-------------|
| Balance as at 01st April, 2020 | 87,128.99 | 1,482.97 | 1,716.27 | (40.95) | (672.16) | - | 667.38 | 90,202.51 |
| Add: Capital Subsidy received during the year | - | - | - | - | - | 56.88 | - | 56.88 |
| Add: Other adjustments | 0.08 | - | - | - | - | - | - | 0.08 |
| Less: Dividend paid to Non-controlling interest | (190.66) | - | - | - | - | - | (45.03) | (235.69) |
| Profit for the year | 23,772.07 | - | - | - | - | - | - | 23,772.07 |
| Foreign Exchange gain on Translation | - | - | - | - | - | - | 26.40 | 26.40 |
| Other Comprehensive Loss for the year: | - | - | - | - | - | - | - | - |
| - Re-measurements losses on defined benefit plans (net) | - | - | - | - | 264.17 | - | - | 264.17 |
| - Exchange gain on translation (net) | - | 961.82 | - | 1,500.52 | - | - | - | 2,462.34 |
| Balance as at 31st March, 2021 | 1,10,719.48 | 2,364.59 | 1,716.27 | 1,549.57 | (407.99) | 56.88 | 691.82 | 1,16,681.72 |

For the year ended 31st March, 2020

(Rs. In Lakhs)

| Particulars | Retained Earnings | Capital Reserve | General Reserve | Foreign Currency Translation Reserve | Other comprehensive Income-Other Items | Capital Subsidy | Non Controlling Interest | Total |
|--|-------------------|-----------------|-----------------|--------------------------------------|--|-----------------|--------------------------|-----------|
| Balance as at 31st March, 2019 | 67,993.05 | 1,268.39 | 1,716.27 | (167.46) | (238.89) | - | - | 70,571.16 |
| Less: Adjustment on adoption of Ind AS 116 (net of tax) (Refer Note 2.1 b) | (206.81) | - | - | - | - | - | - | (206.81) |
| Balance as at 01st April, 2019 | 67,786.24 | 1,268.39 | 1,716.27 | (167.46) | (238.89) | - | - | 70,364.35 |
| Addition on investment in Subsidiary (Refer note 39.1B a) | - | 0.27 | - | - | - | - | 581.51 | 581.78 |
| Profit for the year | 19,342.75 | - | - | - | - | - | 85.87 | 19,428.62 |
| Other Comprehensive Loss for the year: | - | - | - | - | - | - | - | - |
| - Re-measurements losses on defined benefit plans (net) | - | - | - | - | (433.27) | - | - | (433.27) |
| - Exchange gain on translation (net) | - | 134.51 | - | 126.51 | - | - | - | 261.02 |
| Balance as at 31st March, 2020 | 87,128.99 | 1,402.97 | 1,716.27 | (40.99) | (672.16) | - | 667.38 | 90,202.50 |

Refer Note No. 20.1 for nature and purpose of reserves

Significant Accounting Policies and Notes 1 to 40 form an integral part of the Consolidated Financial Statement

For and on behalf of the Board of Directors:

(Signature) (Rahul Gautam) Managing Director DIN : 00192939

(Signature) (Tushaa Gautam) Whole-time Director DIN : 01646487

(Signature) (Ohrav Mathur) Chief Financial Officer

(Signature) (Md. Imtejal Ahmad) Company Secretary M. No. A20921

As per our Report of even date attached
 S. P. Chopra & Co.
 Chartered Accountants
 Firm Registration No. 000315N

(Signature)
 S. P. Chopra & Co.
 Chartered Accountants
 Firm Registration No. 000315N

SHEELA FOAM LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST
MARCH, 2021.

1. GROUP INFORMATION

Sheela Foam Limited ('the Holding Company') is a ISO 9001:2000 public limited Company incorporated in India with its registered office in New Delhi. The Holding Company is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

The Holding Company, pioneered in the manufacturing of polyurethane foams, has five Subsidiary companies (two Foreign Subsidiaries Joyce Foam Pty. Limited (and its Controlled Entity Joyce W C NSW Pty Limited) Australia and International Foam Technologies Spain and three Indian Subsidiaries 'Divya Software Solutions Private Limited', 'Sleepwell Enterprises Private Limited and Staqo World Pvt. Ltd'). The accompanying Consolidated Financial Statements relate to Sheela Foam Limited ('the Holding Company') and its five Subsidiary companies (together referred as "the Group").

The consolidated financial statements for the year ended 31st March, 2021 were approved by the Board of Directors and authorized for issue on 29th May, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance and Basis of Preparation

a. Basis of Preparation :

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act

The consolidated financial statements have been prepared on accrual and going concern basis. All the assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

b. Historical Cost Convention

The consolidated financial statements have been prepared on a historical cost basis, except, certain financial assets and liabilities, measured at fair value.

c. Functional and presentation currency

The consolidated financial statements are prepared in Indian Rupees ('Rs. '), which is the Holding Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimal places, unless stated otherwise.

d. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it is: -

- expected to be realized, or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it is:

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within 12 months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.



Deferred tax assets and liabilities:

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle:

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalent. The Company has identified twelve months as its operating cycle.

e. Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure and the disclosure of contingent liabilities. Uncertainty about these estimates and assumptions could result in outcomes that requires material adjustments to the carrying amount of the assets and liabilities in future period/s.

These estimates and assumptions are based on the facts and events, that existed as at the date of Balance Sheet, or that occurred after that date but provide additional evidence about conditions existing as at the Balance Sheet date.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are given below.

1. Useful lives of Property Plant and Equipment

The Property, Plant and Equipment are depreciated on a pro-rate basis on written down value basis, in case of Holding Company (Sheela Foam Limited) and Indian Subsidiaries and on a straight line basis, in the case of foreign Subsidiaries, over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 2.3 below. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the profit in future years.

2. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

3. Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4. Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

5. Impairment of non-Financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

2.2 BASIS OF CONSOLIDATION

The Consolidated Financial Statements have been prepared on the following basis:-

Basis of Accounting:

- i) The financial statements of the Subsidiary Companies are drawn up to the same reporting date as of the Holding Company i.e. for the financial year ended 31st March. The financial statements of foreign Subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principles of their Country of incorporation.
- ii) During the previous year, the Holding Company had incorporated a Wholly Owned Subsidiary Company (WOS) in Delaware, USA, for the purpose of marketing of the products of the Company in USA, however, as no share capital had been subscribed or investment had been made therein, there was no impact of the same on the consolidated financial statements except that the expenditures incurred for acquisition were capitalised as investment in WOS. Further, during the year the Holding Company has dissolved the said Subsidiary on 29.03.2021 and expenditure incurred for acquisition has been written off and shown under Note 38 - Other Expenses - Investment written off.
- iii) In case of foreign Subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rates prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve.
- iv) The consolidated financial statements have been prepared in accordance with Indian Accounting Standard - 110 "Consolidated Financial Statements".

Principles of Consolidation:

- i) The financial statements of the Holding Company and its Subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating the intra-group balances and intra-group transactions and unrealized profits or losses in accordance with Indian Accounting Standard - 110 on "Consolidated Financial Statements".
- ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's separate financial statements except as otherwise stated in the Significant Accounting Policies.
- iii) The difference between the costs of investments in the Subsidiaries over the net assets at the time of acquisition of shares in the Subsidiaries is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve as the case may be.

The Consolidated Financial Statements of the Holding Company includes the results of following entities:

| Name of Company | Country of Incorporation | Proportion (%) of Shareholding as on 31.03.2021 | Proportion (%) of Shareholding as on 31.03.2020 |
|---|--------------------------|---|---|
| Subsidiary Companies | | | |
| Joyce Foam Pty. Limited and Controlled Entity (Joyce W C NSW Pty Limited) | Australia | 100% | 100% |
| International Foam Technologies SL, Spain and Subsidiaries | Spain | 100% | 100% |
| Divya Software Solutions Private Limited | India | 100% | 100% |
| Sleepwell Enterprises Private Limited | India | 100% | 100% |
| Staqa World Pvt. Ltd. | India | 100% | 100% |

2.3 Property, Plant & Equipment

Property, Plant & Equipment are accounted for on historical cost basis (inclusive of the cost of installation and other incidental costs till commencement of commercial production) net of recoverable taxes, less accumulated



depreciation and impairment loss, if any. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are added to the existing asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Cost of leasehold land is amortized over the period of lease.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

In the case of the Holding Company (Sheela Foam Limited) and Indian Subsidiaries (Divya Software Solutions Private Limited and Sleepwell Enterprises Private Limited)

Depreciation on property, plant & equipment is provided on a pro-rate basis on written down value basis, over the useful life of the assets estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The asset's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The property, plant and equipment costing upto Rs. 5,000/- are fully depreciated during the year of addition after retaining 5% as net residual value. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

| Asset | Useful life as per Schedule II of the Companies Act, 2013 (No. of Years) | Useful life as assessed / estimated by the Company (No. of Years) |
|------------------------------------|--|---|
| Buildings : | | |
| - Factory | 30 | 29 |
| - Office | 60 | 59 |
| - Residential | 60 | 59 |
| Plant & Equipment | 15 | 20 |
| Furniture & Fixtures | 10 | 15 |
| Vehicles : | | |
| - Motor Cars | 8 | 10 |
| Office Equipment | 5 | 20 |
| Date Processing Equipment : | | |
| - Computer Equipment | 3 | 6 |
| Electrical Fittings | 10 | 20 |

Based on usage pattern and internal assessment, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

In the case of foreign Subsidiaries (Joyce Foam Pty. Ltd. and its Controlled Entities, and International Foam Technologies SL, Spain and Subsidiaries)

The depreciable amount of all fixed assets including capitalised lease assets, is depreciated on a straight line basis over the estimated useful lives to the Company commencing from time the assets is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

2.4 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are added to the carrying amount only when it is probable that it will increase its useful life. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. Though the Group measures investment property using cost based measurement, the fair value of the investment property is disclosed in the notes. Fair value is determined based on an annual evaluation performed by an accredited external independent valuer applying a recognized and recommended valuation model.



Depreciation on investment property, is provided on a pro-rate basis on written down value basis, over the useful life of the property estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The property's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

| Asset | Useful life as per Schedule II of the Companies Act, 2013 (No. of Years) | Useful life as assessed / estimated by the Company (No. of Years) |
|--------------------|--|---|
| Buildings : | | |
| - Factory | 30 | 29 |
| - Office | 60 | 59 |
| - Residential | 60 | 59 |

Based on usage pattern and internal assessment, the management believes that the useful lives as given above best represent the period over which the management expects to use these properties. Hence the useful lives of these properties is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Investment property is derecognized when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss arising on de-recognition of the investment property is included in the Statement of Profit and Loss.

Transfers are made to / from investment property only when there is a change in its use. Transfers between investment property is made at the carrying amount of the property transferred.

2.5 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

(a) Initial recognition and measurement

At initial recognition, all financial assets are recognized at its fair value plus, in the case of a financial asset not carried at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(b) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI); and
- Financial assets measured at fair value through profit and loss (FVTPL)

Where financial assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit and loss), or recognized in other comprehensive income (i.e. fair value through Other Comprehensive Income).

The classification of financial assets depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

(1) Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if both the following conditions are met:

- **Business Model Test:** The objective of the business model is to hold financial asset in order to collect contractual cash flows (rather than to sell the asset prior to its financial maturity to realize its fair value changes); and
- **Cash Flow Characteristics Test:** Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



This category is most relevant to the Group. After initial measurement, such financial asset are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in interest income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade receivables, deposits with banks, security deposits, cash and cash equivalents and employee loans, etc.

(2) Financial instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- Business Model Test: The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- Cash Flow Characteristics Test: The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Profit and Loss. The Group as at the Balance Sheet date is not having any such instruments.

(3) Financial instruments measured at Fair Value Through Profit and Loss (FVTPL)

Fair Value through Profit and Loss is a residual category. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified as FVTPL. Financial instruments included in FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements i.e. gain or loss and interest income are recorded in Statement of Profit and Loss.

(c) Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial Assets measured at amortized cost;
- Financial Assets measured at FVTOCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Financial assets that are debt instruments, and are measured at amortized cost i.e. trade receivables, deposits with banks, security deposits and employee loans etc.
- Financial assets that are debt instruments, and are measured at FVTOCI, The Group as at the Balance Sheet date is not having any such instruments.

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The trade receivables are initially recognized at the sale/recoverable value and are assessed at each Balance Sheet date for collectability. Trade receivables are classified as current assets, if collection is expected within twelve months as at Balance Sheet date, if not, they are classified under non-current assets.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months (Expected Credit Loss) ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12-months ECL.



For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on timely basis.

(d) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's Balance Sheet) when:

- a. The rights to receive cash flows from the asset have been expired/transferred, or
- b. The Group retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Group has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade payables, borrowings, security deposits and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in Other Comprehensive Income. These gains/ losses are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of Profit and Loss. The Group has not designated any financial liability as at fair value through profit and loss.

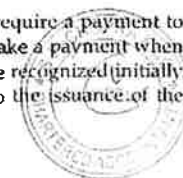
Borrowings & Security Deposits

Any difference between the proceeds (net of transaction costs) and the repayment amount is recognized in profit or loss over the period of the liability and subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial Guarantee Contract

Financial guarantee contracts issued by the Holding Company are those contracts that require a payment to be made to reimburse the holder for loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the



guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Trade and other payables

Trade and other payables are obligations incurred by the Group towards purchase of raw material and other goods and availing the services that have been acquired or availed in the ordinary course of business. Trade and other payables are classified under current liabilities, if payment is due within 12 months as at Balance Sheet date, if not, they are classified under non-current liabilities. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(iii) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.6 Inventories

Inventories are valued at the lower of cost and net realisable value. In respect of raw material, packing material and stores & spares, cost is computed on first in first out basis, as determined on direct cost basis. Finished goods and stock-in-process include cost of inputs, conversion costs and other costs including manufacturing overheads incurred in bringing them to their present location and condition. Obsolete, defective and unserviceable stocks are provided for, wherever required. The net-realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make sale.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

2.8 Impairment of Non-Financial Assets

The Group assesses, at each reporting date, using external and internal sources, whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous period/s. If any indication exists, or when annual impairment testing for an asset is required, the Group determines the recoverable amount and impairment loss is recognised when the carrying value of an asset exceeds its recoverable amount.

The recoverable amount is determined:

- in the case of an individual asset, at the higher of the asset's fair value less cost of sell and value in use; and
- in the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of the cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that effects current market assessments of the time value of money and the risks specific to that asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An impairment loss for an asset is reversed, if and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized, the carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss being recognized for the asset in prior year/s.



2.9 Provisions and Contingent Liabilities

a) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balances sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

2.10 Revenue Recognition

- a) Revenue from sale of goods is recognised when the control of the goods is transferred to the customer, which is generally on the delivery of the goods, the associated costs and the amount of revenue can be measured reliably and it is probable that the economic benefit associated with the transaction will flow to the Group.

It is measured at fair value of the consideration received or receivable, after deduction of sales returns, trade discount, volume rebates and goods and service tax collected on behalf of the government.

- b) Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed.
- c) Export incentive such as Duty drawback is recognized on post export basis on the basis of their entitlement rates.
- d) Interest income is recognized on time proportion basis taking into account the amount outstanding and applicable interest rates.
- e) Insurances claims are recognised to the extent the Holding Company is reasonably certain of their ultimate receipt.
- f) Dividend income on investments is recognized when the right to receive dividend is established.
- g) Other income/revenue is recognized to the extent that it is probable that the economic benefit will flow to the Group and it can be reliably measured.

2.11 Government Grants / Subsidy

Government grants are recognized when it is reasonably certain that the ultimate collection will be made. Government grants of capital nature are credited to capital reserve. Other government grants of revenue nature including subsidies are credited to specific expense head in the Statement of Profit and Loss.

2.12 Employee Benefits

In the case of Holding Company

a. Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia, performance incentive/pay etc. and the same are recognized in the period in which the employee renders the related services.



b. Long Term Benefit

The employees of the Company are entitled to long service award (LSA), as retention earned leave, after completion of service of five years, which can be en-cashed or accumulated till retirement. The liability towards LSA is provided for on accrual basis as estimated by the management.

c. Post-Employment Benefits

i. Defined contribution plan:

The Company's approved provident fund scheme, employees' state insurance fund scheme and employees' pension scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

ii. Defined benefit plan

The employees' gratuity fund scheme and the employees leave encashment / employees long term compensated absences are the Company's defined benefit plans. The present value of the obligation under defined benefit plans of gratuity and leave encashment is determined based on the actuarial valuation on projected unit credit method as at the balance sheet date. Re-measurement, comprising of actuarial gains and losses, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods. Liability towards Gratuity is funded through a separate Gratuity Trust. The short / excess of the Gratuity liability as compared to the net fund held by the Gratuity Trust is accounted for as liability / assets as at the year end.

In the case of foreign Subsidiary (Joyce Foam Pty. Ltd. and its Controlled Entities, and International Foam Technologies SL, Spain and Subsidiaries)

Provision is made for the liability for employee benefits arising from services rendered by employees to balance sheet date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those of benefits.

2.13 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, for a period of time in exchange for consideration even if that right is not explicitly specified in an arrangement.

Group as a lessee

The Group has taken certain assets on Operating Lease. Operating Lease is a contract, which conveys the right to Lessee, to control the use of an identified asset for a period of time, the lease term, in exchange for consideration. The Group assesses whether a contract is, or contains, a lease on inception.

The lease term is either the non-cancellable period of the lease and any additional periods when there is an enforceable option to extend the lease and it is reasonably certain that the Group will extend the term, or a lease period in which it is reasonably certain that the Group will not exercise a right to terminate. The lease term is reassessed if there is a significant change in circumstances.

At commencement, or on the modification, of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is amortised / depreciated using straight-line / written down value method from the commencement date to the end of the lease term. If the lessor transfers ownership of the underlying asset to the Group by the end of the lease term or if the Group expects to exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as



the Group's other property, plant and equipment. Right-of-use assets are reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the total lease payments due on the commencement date, discounted using either the interest rate implicit in the lease, if readily determinable, or more usually, an estimate of the Group's incremental borrowing rate on the inception date for a loan with similar terms to the lease. The incremental borrowing rate is estimated by obtaining interest rates from various external financing sources.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

In accordance with Ind AS 116, the Group does not recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases i.e. leases with a lease term of 12 months or less and containing no purchase options. Payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as Operating Leases. Rental income from Operating Lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an Operating Lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as Finance Leases when substantially all of the risks and rewards of ownership are transferred from the Group to the lessee. Amounts due from lessees under Finance Leases are recorded as receivables at the Group's net investment in the leases. Finance Lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.14 Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency existing at balance sheet date are translated at the year end exchange rates. Exchange rate differences arising on settlement of transaction and translation of monetary items are recognized as income or expenses in the year in which they arise. The long term foreign currency monetary items are carried at the exchange rate prevailing on the date of initial transaction.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Premium or discount on forward exchange contract is amortised as income or expense over the life of the contract. Exchange difference on such contract is recognized in the Statement of Profit and Loss in the reporting period in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward contract is recognized as income or expenditure during the period.

2.15 Employee Stock Option Scheme

The Holding Company follows the intrinsic method for computing the compensation cost, for options granted under the employee stock option scheme. The difference if any, between the fair/market value and the grant price, being the compensation cost is recognized as Deferred Stock Option Expense and is charged to the Statement of Profit and Loss on straight line basis over the vesting period of option.

2.16 Taxation

Tax expense for the year comprises of Current Tax and Deferred Tax.

a) Current Tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the tax regime inserted by the Taxation Laws (Amendment) Act, 2019 in the Income Tax Act, 1961 and the Income Computation and



Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

b) **Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

2.17 **Dividend Distribution:**

The Holding Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Holding Company and is declared by the shareholders. A corresponding amount is recognized directly in the Equity.

2.18 **Earnings per Share:**

Basic earnings per share is calculated by dividing net profit / loss of the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in the resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.19 **Goodwill**

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of business combination over Holding Company's interest in the net fair value of identifiable assets acquired.

2.20 **Transactions within Group**

Transactions including expenses to be shared between the companies within the Group are initially recorded under operational heads by the respective Company, and reduced on actual or proportionate (where those are not directly attributable) basis during consolidation.

2.21 **Research and development**

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when the feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on systematic basis matched to the future economic benefits over useful life of the project.



Notes to the Consolidated Financial Statements for the Year ended 31st March, 2023

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT (As at 31st March, 2021)

| Description | GROSS BLOCK | | | | | DEPRECIATION | | | | | NET BLOCK | |
|-------------------------------|------------------|---------------------------|---|------------------|------------------|--------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | As at 01.04.2020 | Additions during the year | Transfer/Disposal adjustments during the year | As at 31.03.2021 | As at 01.04.2020 | For the year | As at 31.03.2021 | As at 01.04.2021 | As at 31.03.2021 | As at 01.04.2021 | As at 31.03.2021 | As at 31.03.2020 |
| (i) Tangible Assets | | | | | | | | | | | | |
| Land - Freehold | 1,393.39 | 463.00 | 5.88 | 1,862.27 | 4,683.13 | 1,034.10 | - | (86.42) | 1,850.95 | 1,396.53 | 17,505.75 | |
| Buildings | 22,108.06 | 1,508.96 | (599.21) | 24,017.81 | | | | | 38,681.46 | 19,559.37 | | |
| Plant & Equipment | 33,531.34 | 4,645.73 | (1,483.92) | 36,693.15 | 13,971.96 | 2,910.02 | 8.15 | (617.28) | 22,166.71 | 10,911.83 | | |
| Leasehold | 96.37 | | | 96.37 | 3.66 | 6.35 | | | 103.01 | 83.72 | | |
| Furniture & Fixtures | 1,200.16 | 43.99 | 0.01 | 1,244.16 | 378.45 | 154.98 | | | 523.39 | 639.79 | | |
| Motor Vehicles | 978.04 | 81.66 | 64.41 | 1,024.11 | 418.24 | 374.35 | | | 450.59 | 582.40 | | |
| Office equipment | 1,963.13 | 142.78 | 8.57 | 2,114.48 | 765.71 | 328.89 | | | 1,015.27 | 1,197.42 | | |
| Medical fittings | 1,268.60 | 130.64 | 12.90 | 1,412.14 | 363.67 | 318.88 | | | 878.13 | 600.13 | | |
| Total | 62,612.71 | 7,694.76 | (1,015.55) | 71,291.92 | 20,341.62 | 4,716.01 | | | 47,707.44 | 21,014.10 | | |
| (ii) Capital Work-in-progress | | | | | | | | | | | | |
| Refer note 3.1 | 1,797.32 | 928.82 | 2,259.41 | 4,985.55 | | | | | 466.48 | 1,797.32 | | |
| (iii) Goodwill | 25,459.00 | | (187.63) | 25,271.37 | | | | | 25,271.37 | 25,271.37 | | |
| (iv) Other Intangible Assets | 203.30 | | (5.09) | 198.21 | | 1.46 | | | 292.99 | 1.44 | | |
| Total Intangible Assets | 203.30 | | (5.09) | 198.21 | | 1.46 | | | 292.99 | 1.44 | | |
| Total (Intangible) | 90,165.34 | 6,013.29 | (1,011.00) | 95,167.63 | 20,343.08 | 4,717.46 | | | 690.11 | 25,241.09 | | |

| Description | GROSS BLOCK | | | | | DEPRECIATION | | | | | NET BLOCK | |
|-------------------------------|------------------|---------------------------|---------------------------|------------------|------------------|------------------|--------------|------------------|------------------|------------------|------------------|-----------|
| | As at 31.03.2020 | Additions during the year | Disposals during the year | As at 31.03.2021 | As at 01.04.2021 | As at 31.03.2020 | For the year | As at 31.03.2021 | As at 01.04.2021 | As at 31.03.2021 | As at 31.03.2020 | |
| (i) Tangible Assets | | | | | | | | | | | | |
| Land - Freehold | 1,188.66 | 137.23 | 613.65 | 1,712.24 | 1,395.53 | 2,167.50 | | 949.93 | 1,021.33 | 4,613.13 | 1,396.53 | 12,208.66 |
| Buildings | 14,694.52 | 6,636.85 | | 21,331.37 | 21,181.88 | | | | | 17,505.75 | 11,983.41 | |
| Plant & Equipment | 32,469.84 | 9,685.71 | (1,287.04) | 40,868.51 | 15,531.34 | 5,951.01 | | 5,712.95 | (104.34) | 19,559.37 | 16,508.83 | |
| Leasehold | 803.79 | 96.51 | | 900.30 | 94.37 | | | | | 2.65 | 63.72 | |
| Furniture & Fixtures | 700.47 | 366.86 | (1,120.00) | 347.33 | 219.52 | | | | | 379.45 | 581.87 | |
| Motor Vehicles | 1,241.25 | 243.11 | 14.80 | 1,499.16 | 378.86 | 132.59 | | | | 829.73 | 702.86 | |
| Office equipment | 1,241.25 | 324.66 | 28.95 | 1,594.86 | 316.85 | 148.24 | | | | 1,189.41 | 991.41 | |
| Medical fittings | 870.29 | 292.81 | 0.85 | 1,163.95 | 278.99 | 286.49 | | | | 353.47 | 597.29 | |
| Total | 48,121.71 | 15,096.28 | (4,501.00) | 58,716.99 | 6,826.93 | 6,826.93 | | | (218.16) | 42,044.10 | 30,285.54 | |
| (ii) Capital Work-in-progress | | | | | | | | | | | | |
| Refer note 3.2 | 73.84 | 88.31 | 2,233.30 | 2,395.45 | 1,797.32 | | | | | 1,797.32 | 73.84 | |
| (iii) Goodwill | 818.56 | | 306.35 | 1,124.91 | 25,259.00 | | | | | 25,259.00 | 618.56 | |
| (iv) Other Intangible Assets | | | | | 283.30 | | | | | 283.30 | 3.84 | |
| Total (Intangible) | 901,65.34 | 39,010.34 | (7,041.14) | 1,223,946.54 | 9,816.16 | 4,272.98 | | | (264.17) | 69,101.86 | 31,189.24 | |

3.1 Refer Note - 2.7 of Significant Accounting Policies for depreciation on property, plant and equipment.

3.2 Capital Work-in-progress under construction/underway at various time/plants and includes work-in-progress + capital work-in-progress + commission of commercial production.

| Year of Expense | Opening as on 01.04.2020 | Capital work-in-progress during the year | Closing as on 31.03.2021 | Opening as on 01.04.2020 | Capital work-in-progress during the year | Closing as on 31.03.2021 |
|-------------------|--------------------------|--|--------------------------|--------------------------|--|--------------------------|
| Fixedly assets | 8.75 | | 8.75 | 8.75 | | 8.75 |
| Leasehold charges | | | | | | |
| Revenue charges | | | | | | |
| Others | | | | | | |
| Total | 8.75 | | 8.75 | 8.75 | | 8.75 |



Notes to the Consolidated Financial Statements for the Year ended 31st March, 2020

NOTE 4 - RIGHT OF USE ASSETS (As at 31st March, 2021)

| Description | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | |
|-----------------------|------------------|---------------------------|--|------------------|--------------|--|------------------|------------------|------------------|
| | As at 31.03.2020 | Additions during the year | Value/Impairment adjustments during the year | As at 31.03.2020 | For the year | Value/Impairment adjustments during the year | As at 31.03.2021 | As at 31.03.2020 | As at 31.03.2021 |
| Land (refer note 4.2) | 2,379.00 | - | - | 92.51 | 24.95 | - | 117.46 | 2,286.49 | 2,261.54 |
| Buildings | 30,739.26 | 3,395.55 | (371.28) | 1,478.58 | 2,190.93 | 1,235.49 | 2,434.02 | 12,072.07 | 9,636.67 |
| Furniture & Equipment | 144.72 | - | (18.47) | 26.13 | 35.95 | (8.64) | 70.74 | 103.45 | 118.59 |
| Total | 13,282.98 | 3,395.55 | (400.75) | 1,597.23 | 2,251.84 | 3,266.85 | 2,622.22 | 14,412.01 | 11,955.75 |

NOTE 4 - RIGHT OF USE ASSETS (As at 31st March, 2020)

| Description | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | |
|-----------------------|------------------|---------------------------|--|------------------|--------------|--|------------------|------------------|------------------|
| | As at 31.03.2019 | Additions during the year | Value/Impairment adjustments during the year | As at 31.03.2019 | For the year | Value/Impairment adjustments during the year | As at 31.03.2020 | As at 31.03.2019 | As at 31.03.2020 |
| Land (refer note 4.2) | - | 1,882.27 | 511.71 | 68.96 | 23.85 | - | 92.81 | 2,266.49 | 2,173.64 |
| Buildings | - | 3,688.31 | 7,267.68 | 202.94 | 1,821.70 | 45.12 | 1,478.58 | 9,160.07 | 8,281.49 |
| Furniture & Equipment | - | 76.44 | 71.76 | 4.41 | 26.95 | 0.81 | 26.13 | 188.59 | 188.59 |
| Total | - | 5,647.02 | 7,851.15 | 276.31 | 1,872.50 | 46.53 | 1,597.23 | 11,625.15 | 11,625.15 |

4.1 Refer 'Note 2.4 of Significant Accounting Policies' for depreciation and measurement of right of use assets.
 4.2 The leasehold land has been amortised during the year by Rs. 28.95 lakhs (Previous Year: Rs. 23.55 lakhs) to per the economic policy.

NOTE 5 - INVESTMENT PROPERTY (As at 31st March, 2021)

| Description | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | |
|----------------------------|------------------|--------------------------------------|--|------------------|--------------------------|--|------------------|------------------|------------------|
| | As at 31.03.2020 | Additions / Transfer during the year | Value/Impairment adjustments during the year | As at 31.03.2021 | Transfer during the year | Value/Impairment adjustments during the year | As at 31.03.2021 | As at 31.03.2020 | As at 31.03.2021 |
| (i) Tangible Assets | | | | | | | | | |
| Land | 10.80 | - | - | 10.80 | - | - | 10.80 | - | 10.80 |
| Leasehold (refer note 5.2) | 68.47 | - | - | 49.42 | - | - | 4.95 | 63.47 | 64.82 |
| Buildings | 6,085.90 | 48.54 | (6,052.28) | 155.78 | (6,052.28) | - | 480.79 | 5,573.47 | 5,839.64 |
| Total | 6,074.35 | 59.24 | (6,111.53) | 169.32 | (6,111.53) | - | 496.53 | 5,443.23 | 5,905.33 |

INVESTMENT PROPERTY (As at 31st March, 2020)

| Description | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | |
|----------------------------|------------------|--------------------------------------|--|------------------|--------------------------|--|------------------|------------------|------------------|
| | As at 31.03.2019 | Additions / Transfer during the year | Value/Impairment adjustments during the year | As at 31.03.2020 | Transfer during the year | Value/Impairment adjustments during the year | As at 31.03.2020 | As at 31.03.2019 | As at 31.03.2020 |
| (i) Tangible Assets | | | | | | | | | |
| Land | - | - | - | - | - | - | - | - | - |
| Leasehold (refer note 5.2) | 68.47 | - | - | 68.47 | - | - | 3.84 | 64.63 | 66.74 |
| Buildings | 1,137.78 | 9,068.15 | (6,008.82) | 3,127.40 | - | - | 166.28 | 5,839.64 | 1,016.39 |
| CCMP Building | 5,208.04 | 1,238.48 | (6,534.49) | 334.34 | - | - | 169.32 | 5,905.41 | 5,296.06 |
| Total | 6,374.30 | 6,106.73 | (6,074.40) | 3,344.90 | - | - | 169.32 | 5,905.41 | 6,308.19 |

5.1 Refer 'Note 2.4 of Significant Accounting Policies' for depreciation and measurement of investment property.

5.2 The leasehold land has been amortised during this year by Rs. 8.91 lakhs (Previous Year: Rs. 0.91 lakhs) as per the accounting policy in terms of the Ind AS-40 on 'Investment Property'.

5.3 Particulars

| | As at 31.03.2021 | As at 31.03.2020 |
|--|------------------|------------------|
| Rental income derived from leasehold property | 152.71 | 152.71 |
| Profit arising from leasehold property before depreciation | 148.36 | 152.71 |
| Less: Depreciation on investment property | (297.41) | (351.47) |
| Net (Loss)/Profit arising from investment property | (149.05) | (198.76) |

5.4 The Group has obtained independent valuation for its investment property for Rs. 8,207 lakhs as at March 31, 2021, and has reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an asset of equivalent utility, depreciation and obsolescence. Fair market value is the amount expressed in terms of money that may reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity on both. The valuation by the Group that continue to operate and run the assets to have economic utility. The fair value is an 'exit' value.

5.5 There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and obsolescence charges as there are no restriction on confidence of income and proceeds of disposal.

5.6 The investment properties are leasehold properties and marketability of the same is subject to the terms and conditions under the respective lease agreements.



Notes to the Consolidated Financial Statements for the Year ended 31st March, 2021

| NOTE-6 NON CURRENT FINANCIAL INVESTMENTS | (Rs. In Lakhs) | | | |
|--|------------------------|------------------|------------------------|-----------------|
| | As at 31st March, 2021 | | As at 31st March, 2020 | |
| | No. | Amount | No. | Amount |
| In Bonds & Debentures - fully paid up | | | | |
| (a) Carried at amortized cost - Unquoted | | | | |
| - IDBI Investment Deposit Account Scheme, 1986 | - | 0.35 | - | 0.35 |
| Total (a) | | 0.35 | | 0.35 |
| (b) Carried at fair value through profit and loss - Quoted | | | | |
| - Ecop Equities Limited - Index Linked Non-convertible Debentures of Rs. 1,00,000/- each | - | - | 1,000 | 1,182.97 |
| Total (b) | | - | | 1,182.97 |
| (c) Carried at fair value through other comprehensive income - Unquoted | | | | |
| 9.15% PNB Perpetual Bonds Call 13.02.2025 | 350 | 3,542.69 | - | - |
| 7.74% SBI Perpetual Bonds Call 09.09.2025 | 50 | 505.06 | - | - |
| 8.44% Indian Bank Perpetual Bonds Call 08.12.2025 | 400 | 3,942.80 | - | - |
| 8.73% Union Bank Of India Perpetual Bonds Call 15.12.2025 | 500 | 5,155.13 | - | - |
| 8.50% Canara Bank Non-Convertible Perpetual Bonds Call 31.12.2025 | 400 | 3,892.45 | - | - |
| 9.50% Indusind Bank Limited Non-Convertible Bonds Call 18.04.2022 | 113 | 1,120.15 | - | - |
| 10.50% Indusind Bank Limited Non-Convertible Bonds Call 28.03.2024 | 73 | 731.50 | - | - |
| 8.64% Union Bank Of India Perpetual Bonds Call 11.01.2026 | 25 | 2,442.33 | - | - |
| 8.15% Bank Of Baroda Perpetual Bonds Tier-I Call 13.01.2026 | 190 | 1,873.40 | - | - |
| 8.15% Bank Of Baroda Perpetual Bonds Tier-I Call 28.01.2026 | 250 | 2,498.96 | - | - |
| 9.04% Bank Of India Perpetual Bonds Call 28.01.2026 | 470 | 4,655.17 | - | - |
| | | 30,359.64 | | - |
| Total Investments (a) + (b) + (c) | | 30,359.99 | | 1,183.32 |
| Aggregate amount of Quoted Investments | | - | | 1,182.97 |
| Market value of Quoted Investments | | - | | 1,182.97 |
| Aggregate amount of Unquoted investment | | 30,359.99 | | 0.35 |
| Aggregate amount of impairment in value of investments | | Nil | | Nil |

| NOTE-7 LOANS (Unsecured, considered good) | (Rs. In Lakhs) | |
|--|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Loans to employees | 15.91 | 14.04 |
| Security deposits | 258.61 | 244.25 |
| TOTAL | 274.52 | 258.29 |

| NOTE-8 OTHER NON-CURRENT FINANCIAL ASSETS (Unsecured, considered good) | (Rs. In Lakhs) | |
|---|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Deposits with Banks: | | |
| - held as margin money | 1.34 | 1.34 |
| - others | 257.70 | 210.13 |
| Interest accrued but not due on deposits with Banks | 1.04 | 1.44 |
| TOTAL | 260.08 | 212.91 |

| NOTE-9 NON-CURRENT TAX ASSETS (NET) | (Rs. In Lakhs) | |
|--|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Advance income tax (Net of provisions) | - | 40.83 |
| | - | 40.83 |

| NOTE-10 OTHER NON CURRENT ASSETS (Unsecured, considered good) | (Rs. In Lakhs) | |
|--|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Capital advances | 225.12 | 94.94 |
| Prepaid rent | 39.26 | 39.27 |
| TOTAL | 264.38 | 134.21 |



Notes to the Consolidated Financial Statements for the Year ended 31st March, 2021

(Rs. In Lakhs)

NOTE-11 INVENTORIES

| | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|------------------------|------------------|------------------------|------------------|
| (Valued at lower of Cost and Net Realisable Value, unless stated otherwise, refer note 2.6 for the Accounting Policy) | | | | |
| Raw Materials | 16,296.05 | | 9,520.31 | |
| - In Transit | 4,090.40 | 20,386.45 | 2,741.12 | 12,261.43 |
| Stock-in-process | | 6,221.21 | | 4,612.86 |
| Finished Goods | | 3,017.25 | | 3,453.05 |
| Stock-in-trade | | 138.23 | | 710.34 |
| Packing Material | 633.94 | | 572.55 | |
| - in Transit | 14.30 | 648.24 | 0.97 | 573.52 |
| Stores and Spares | 983.05 | | 906.06 | |
| - In Transit | 136.30 | 1,119.35 | 168.58 | 1,074.64 |
| TOTAL | | 31,530.73 | | 22,685.84 |

NOTE-12 CURRENT INVESTMENTS

| | As at 31st March, 2021 | | As at 31st March, 2020 | |
|--|------------------------|------------------|------------------------|------------------|
| | No. | Amount | No. | Amount |
| In Bonds & Debentures - fully paid up - Quoted | | | | |
| (a) Carried at fair value through profit and loss - Quoted | | | | |
| - Edelweiss Finance Pvt Ltd - Index Linked Non-convertible Debentures of Rs. 1,00,000/- each | - | - | 1,500 | 1,937.24 |
| - Tata Capital Financial Services Ltd - Non-convertible Debentures of Rs. 10,00,000/- each | - | - | 200 | 2,201.40 |
| - Ecop Equities Limited- Index Linked Non-convertible Debentures of Rs. 1,00,000/- each | 1,000 | 1,308.06 | - | - |
| Total (a) | | 1,308.06 | | 4,138.64 |
| (b) Carried at fair value through other comprehensive income - Unquoted | | | | |
| - 9.50% IndusInd Bank Limited Non-Convertible Bonds Call 22.03.2022 | 323 | 3,212.45 | - | - |
| | | 3,212.45 | | |
| In Mutual Funds - fully paid up - Quoted | | | | |
| (c) Carried at fair value through profit and loss | | | | |
| - ICICI Prudential Floating Interest Fund- Direct Growth | 73,478 | 252.95 | - | - |
| - ICICI Prudential Medium Term Bond Fund- Direct Growth | 5,71,346 | 207.04 | - | - |
| - HDFC Medium Term Debt Fund- Direct Growth | 2,85,836 | 130.53 | - | - |
| - L&T Resurgent India Bond Fund- Direct Growth | 74,65,987 | 1,244.95 | - | - |
| - AXIS Banking & PSU Debt Fund- Direct Growth | 30,350 | 636.68 | - | - |
| - IDFC Banking & PSU Debt Fund- Direct Growth | 53,78,239 | 1,050.93 | - | - |
| - L&T Banking & PSU Debt Fund- Direct Growth | 49,37,958 | 993.12 | - | - |
| - Nippon India Banking & PSU Debt Fund- Direct Growth | 64,61,186 | 1,061.00 | - | - |
| - DSP Floater Fund- Direct Growth | 49,99,750 | 502.62 | - | - |
| - Aditya Birla Sun Life Saving Fund - Growth - Direct Plan | 1,47,312 | 100.83 | - | - |
| - UTI Corporate Bond Fund-Direct Growth | - | - | 2,51,79,567 | 2,976.00 |
| - L&T Triple Ace Bond Fund-Direct Growth | - | - | 65,22,882 | 3,604.98 |
| - HDFC Liquid Fund-Direct Growth | - | - | 25,677 | 1,003.09 |
| - HDFC Corporate Bond Fund-Direct Growth | - | - | 1,30,80,873 | 3,019.54 |
| - IDFC Arbitrage Fund-Direct Growth | - | - | 29,62,635 | 762.31 |
| - DSP Corporate Bond Fund-Direct Growth | - | - | 1,70,03,331 | 2,012.12 |
| - ICICI Prudential Corporate Bond Fund-Direct Growth | - | - | 1,98,74,764 | 4,275.08 |
| - Aditya Birla Sun Life Income Fund- Direct Growth | - | - | 1,77,276 | 168.33 |
| Total (c) | | 6,180.65 | | 17,821.45 |
| Total Investments (a) + (b) + (c) | | 10,701.16 | | 21,960.09 |
| Aggregate amount of Quoted Investments | | 7,488.71 | | 21,960.09 |
| Aggregate Market value of Quoted Investments | | 7,488.71 | | 21,960.09 |
| Aggregate amount of Unquoted investment | | 3,212.45 | | - |
| Aggregate amount of impairment in value of investment | | Nil | | Nil |



Notes to the Consolidated Financial Statements for the Year ended 31st March, 2021

| NOTE-13 TRADE RECEIVABLES | (Rs. In Lakhs) | |
|--|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Unsecured, considered good | 30,215.33 | 21,577.35 |
| Unsecured, considered doubtful | 1,557.95 | 1,289.20 |
| Less: Allowance for doubtful receivables | (1,557.95) | (1,289.20) |
| TOTAL | 30,215.33 | 21,577.35 |

13.1 Refer Note 40.13 For information about credit and market risk of trade receivables.

13.2 Trade receivables are usually non-interest bearing and on the trade terms of 60 days.

| NOTE-14 CASH AND CASH EQUIVALENTS | (Rs. In Lakhs) | |
|--|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Balances with Banks - Current Accounts | 3,319.14 | 2,396.74 |
| Cash on hand | 17.17 | 13.97 |
| Deposits with Banks with original maturity of less than 3 months | 2,400.00 | 2,000.00 |
| | 5,736.31 | 4,410.71 |
| TOTAL | 5,736.31 | 4,410.71 |

14.1 There are no restriction with regard to cash and cash equivalents at the end of reporting period and prior period.

| NOTE-15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS | (Rs. In Lakhs) | |
|--|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Deposits with Banks: | | |
| - held as margin money (refer note 15.1) | 47.63 | 25.65 |
| - having original maturity of more than 3 months but less than 12 months | 26.15 | 25.28 |
| | 73.78 | 50.93 |
| TOTAL | 73.78 | 50.93 |

15.1 Under lien with banks as security for guarantee facility

| NOTE-16 LOANS (Unsecured, considered good) | (Rs. In Lakhs) | |
|---|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Loans to employees | 55.24 | 61.25 |
| Inter-corporate deposits | 500.00 | 500.00 |
| TOTAL | 555.24 | 561.25 |

| NOTE-17 OTHER CURRENT FINANCIAL ASSETS (Unsecured, considered good) | (Rs. In Lakhs) | |
|---|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Interest accrued but not due on deposits with banks, bonds and debentures | 692.79 | 8.36 |
| Insurance claim receivable | - | 13.74 |
| Discounts receivable | 650.43 | 531.54 |
| Derivative financial asset | - | 0.53 |
| | 1,343.22 | 554.17 |

| NOTE-18 OTHER CURRENT ASSETS (Unsecured, considered good) | (Rs. In Lakhs) | |
|--|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Advance to contractors/suppliers | 1,885.55 | 1,261.10 |
| Balances with Statutory/Government authorities: | | |
| - Excise & Custom | 2.85 | 14.61 |
| - GST | 23.27 | 87.51 |
| - VAT/Sales Tax | 478.95 | 492.21 |
| Prepaid expenses | 505.07 | 594.33 |
| Prepaid expenses | 427.85 | 403.19 |
| GST refund receivable (refer note 18.1) | 550.33 | 1,388.23 |
| Lease equalisation asset | 62.73 | 59.36 |
| Income tax refund | 15.33 | 18.71 |
| Other loans & advances (refer note 18.2) | 177.71 | 167.51 |
| TOTAL | 3,624.57 | 3,886.43 |

18.1 Amount of GST paid by the unit of Holding Company located in exempted zone, due for refund under the Government Budgetary Support Scheme

18.2 Others loans & advances comprise of advances to staff for expenses and advances to other parties etc.



Notes to the Consolidated Financial Statements for the Year ended 31st March, 2021

(Rs. in Lakhs)

NOTE-19 EQUITY SHARE CAPITAL

| | As at 31st March, 2021 | | As at 31st March, 2020 | |
|--|------------------------|----------|------------------------|----------|
| | No. | Amount | No. | Amount |
| Authorised: | | | | |
| Equity Shares of Rs. 5/- each | 8,80,21,000 | 4,401.05 | 8,80,21,000 | 4,401.05 |
| Issued, Subscribed and Fully Paid up: | | | | |
| Equity Shares of Rs. 5/- each | 4,87,82,808 | 2,439.14 | 4,87,82,808 | 2,439.14 |

19.1 Right, Preferences and Restrictions attached to Shares:

The Holding Company has one class of equity shares having a par value of Rs. 5 per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity Shareholders are eligible to receive the remaining assets of the group in proportion of their shareholding.

19.2 Reconciliation of the number of shares outstanding:

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|------------------------------|------------------------|--------------|------------------------|--------------|
| | Nos. | Rs. in Lakhs | Nos. | Rs. in Lakhs |
| At the beginning of the year | 4,87,82,808 | 2,439.14 | 4,87,82,808 | 2,439.14 |
| At the end of the year | 4,87,82,808 | 2,439.14 | 4,87,82,808 | 2,439.14 |

19.3 Details of Shares allotted as fully paid up without payment being received in cash during 5 years immediately preceding 31st March, 2021 / 31st March, 2020.

- During the year 2016-17, 1,62,60,936 fully paid up equity shares of Rs. 5/- each, were allotted by way of bonus shares to all the shareholders in the ratio of

19.4 Details of Shareholders holding more than 5% shares:

| Name of the Shareholder | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---------------------------------|------------------------|--------|------------------------|--------|
| | No. of Shares | % held | No. of Shares | % held |
| Sh. Rahul Gautam | 62,09,485 | 12.73 | 62,09,485 | 12.73 |
| Smt. Namita Gautam | 57,15,879 | 11.72 | 57,15,879 | 11.72 |
| Sh. Tushaar Gautam | 1,70,86,314 | 35.03 | 1,80,86,314 | 37.08 |
| Rangoli Resorts Private Limited | 65,63,391 | 13.45 | 65,63,391 | 13.45 |
| SBI Magnum Midcap Fund | 43,56,390 | 8.93 | 46,81,747 | 9.60 |
| DSP Midcap Fund | 28,55,425 | 5.85 | - | - |
| Kotak Emerging Equity Scheme | 27,73,731 | 5.69 | - | - |

19.5 Equity shares held (under Authorised Capital) as per Sheela Foam Employees Stock Option Scheme, 2016 (ESOS 2016) (Refer Note 40.3)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|------------------------------|------------------------|------------------------|
| | No. of Shares | No. of Shares |
| Equity Shares of Rs.5/- each | 24,00,000 | 24,00,000 |



Notes to the Consolidated Financial Statements for the Year ended 31st March, 2021

| NOTE-20 OTHER EQUITY | (Rs. in Lakhs) | |
|--|---------------------------|-------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Capital Reserve | | |
| As per last account | 1,402.97 | 1,268.19 |
| Addition on Investment in Subsidiary | - | 0.27 |
| Add: Foreign Exchange gain on Reserve | 961.62 | 134.51 |
| | <u>2,364.59</u> | <u>1,402.97</u> |
| General Reserve | | |
| As per last account | 1,716.27 | 1,716.27 |
| Foreign Currency Translation reserve | | |
| As per last account | (40.95) | (167.46) |
| Add: Exchange gain on property, plant and equipment and goodwill (net) | 4,035.46 | 1,405.04 |
| | <u>3,994.51</u> | <u>1,237.58</u> |
| Less : Exchange (loss) on others | (2,444.94) | (1,278.53) |
| | <u>1,549.57</u> | <u>(40.95)</u> |
| Retained Earnings | | |
| As per last account | 87,128.99 | 67,993.05 |
| Less: Adjustment on adoption of Ind AS 116 (net of tax) | - | (206.81) |
| Add: Other adjustments | 0.08 | - |
| Less: Dividend paid to Non-controlling Interest | (190.66) | - |
| Add : Profit for the year | 23,772.07 | 19,342.75 |
| | <u>1,10,710.48</u> | <u>87,128.99</u> |
| Capital Subsidy | | |
| Received during the year | 56.98 | - |
| Other comprehensive loss | | |
| As per last account | (672.16) | (238.89) |
| Add: Income/(loss) during the year (net of tax) | 264.17 | (433.27) |
| | <u>(407.99)</u> | <u>(672.16)</u> |
| TOTAL | <u><u>1,15,989.90</u></u> | <u><u>89,535.12</u></u> |

20.1 Nature and purpose of reserves

- (a) **Capital Reserve:** During amalgamation of the subsidiaries, the excess of net assets taken, over the cost of consideration paid was treated as capital reserve.
- (b) **General Reserve:** The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- (c) **Foreign Currency Translation Reserve:** The reserve created from changes (gain/loss) on translation of the financial statements of foreign subsidiary in the presentation currency of the Holding Company.



Notes to the Consolidated Financial Statements for the Year ended 31st March, 2021

| NOTE-21 BORROWINGS | Note No. | (Rs. In Lakhs) | | | |
|---|----------|------------------------|-----------------|------------------------|-----------------|
| | | As at 31st March, 2021 | | As at 31st March, 2020 | |
| | | Non Current | Current | Non Current | Current |
| (i) Secured | | | | | |
| Term loans from Banks | 21.1 | 13,148.51 | 1,197.97 | 15,453.90 | 1,388.06 |
| | | <u>13,148.51</u> | <u>1,197.97</u> | <u>15,453.90</u> | <u>1,388.06</u> |
| (ii) Unsecured | | | | | |
| Loan from financial credit institutions | 21.2 | 114.97 | 295.77 | 259.25 | 478.06 |
| | | <u>114.97</u> | <u>295.77</u> | <u>259.25</u> | <u>478.06</u> |
| TOTAL | | 13,263.48 | 1,493.74 | 15,713.15 | 1,866.12 |
| Less: Amount disclosed under the head "Other current financial liabilities" (Refer Note-27) | | - | 1,493.74 | - | 1,866.12 |
| Net amount | | 13,263.48 | - | 15,713.15 | - |

21.1 Nature of Security and Terms of Repayment:

Foreign Subsidiary (International Foam Technologies Spain S.L.) - Rs. 14,346.48 lakhs

Rs. 14,346.48 lakhs in respect of Term Loan from CITI Bank, Spain based on Stand by Letter of Credit from Citi Bank, India secured by exclusive charge on certain fixed assets of the Holding Company. The term loan carry the arithmetic sum of the reference Interest rate viz. 3 month EURIBOR communicated by the bank for the period and accepted by the borrower. The principal amount of Loan will be repaid by the Company in 20 quarterly equated installements as per predefined schedule and with first installement started from October, 2020 and last installement due in October, 2025.

21.2 Rs. 410.74 lakhs obtained from various financials credit institutions. There unsecured loans carries interest rates ranging from 0.70 % to 1.50%.

| NOTE-22 OTHER NON-CURRENT FINANCIAL LIABILITIES | (Rs. In Lakhs) | |
|---|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Deposits from dealers and others | 7,850.87 | 6,738.95 |
| Capital Investment Subsidy | 25.54 | 28.37 |
| Unearned Interest Income on Deposits | 521.45 | 548.97 |
| Unearned Rent Income | 46.76 | 56.32 |
| TOTAL | 8,444.62 | 7,372.61 |

| NOTE-23 PROVISIONS | Note No. | (Rs. In Lakhs) | |
|---|----------|------------------------|------------------------|
| | | As at 31st March, 2021 | As at 31st March, 2020 |
| Provision for employee benefits: | | | |
| - Gratuity | 40.4 | 22.99 | |
| - Leave encashment | | 428.00 | 450.99 |
| Warranty Claims | 28.1 | 195.24 | 758.61 |
| | | <u>646.23</u> | <u>859.38</u> |



Notes to the Consolidated Financial Statements for the Year ended 31st March, 2021

(Rs. in Lakhs)

NOTE-24 INCOME TAXES

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| A. Tax expense in the statement of profit and loss comprises: | | |
| Income tax | | |
| - Current income tax charge | 40.19 | 8,460.28 |
| - Earlier year's tax reversal | | (42.32) |
| Deferred tax | | |
| - Relating to origination and reversal of temporary differences | 40.19 | (48.58) |
| Total tax expense reported in the statement of profit or loss | 8,369.38 | 6,208.18 |
| B. Statement of other comprehensive income (OCI) | | |
| Remeasurement gain/losses on defined benefit plans | 63.66 | (145.72) |
| Fair value gain on investments (net) | 25.18 | - |
| Income tax related to items recognised in OCI during the year | 88.85 | (145.72) |
| C. Reconciliation of tax liability on book profit vis-à-vis actual tax liability | | |
| Accounting Profit before income tax | 32,384.52 | 26,836.29 |
| Applicable Tax Rate | 25.17% | 25.17% |
| Computed Tax Expense | 8,150.54 | 6,754.16 |
| Tax related adjustments | | |
| Difference in Tax Rate | (53.88) | (1.72) |
| Income not considered for tax purpose | (237.04) | (280.21) |
| Expenses not considered for tax purpose | 593.45 | (233.50) |
| Tax adjusted for earlier years | (42.32) | 0.38 |
| Additional allowances for tax purpose | (41.35) | (30.93) |
| Income tax expense charged to the statement of profit or loss | 8,369.38 | 6,208.18 |
| Effective tax rate | 25.84% | 23.13% |

D. Deferred Tax Liability comprises:*

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| Deferred Tax Liability: | | |
| - Depreciation | 806.54 | 436.75 |
| - Fair value gain/(loss) on investments | 69.32 | 75.70 |
| - Right of Use assets | 46.13 | 65.63 |
| - Registered Grants Pending Imputation | 126.19 | 116.52 |
| - Addition on Consolidation | 772.91 | 762.76 |
| Deferred Tax Assets: | | |
| - Disallowance under Section 43B | (9.26) | (9.26) |
| - Provision for employee benefits | (486.17) | (234.87) |
| - Lease liabilities | (50.13) | (70.97) |
| - Other adjustments | (387.56) | (50.20) |
| - Disallowances u/s 35DD | (0.10) | (0.13) |
| Net Deferred Tax Liability | 887.87 | 1,091.93 |

* includes opening adjustment due to Ind AS 116 and addition on investment in Subsidiary.



Notes to the Consolidated Financial Statements for the Year ended 31st March, 2021

(Rs. In Lakhs)

NOTE-25 BORROWINGS

| | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
|---|----------|------------------------|------------------------|
| (i) Secured | | | |
| Working Capital Loans from Banks | 25.1 | 1,530.28 | 477.19 |
| (ii) Unsecured | | | |
| Loan from various credit institutions | 25.2 | 5,657.46 | 3,029.57 |
| Bank overdraft | | - | 2.45 |
| Loan and advances from a related party: - CEO & Director of a Subsidiary | 25.3 | 111.40 | 92.56 |
| TOTAL | | 7,299.14 | 3,601.77 |

25.1 Working Capital Loans from Banks are secured by way of:

Foreign Subsidiary (Joyce Foam Pty. Ltd.) - Rs. 1,530.28 lakhs

Loan of Rs. 1,530.28 lakhs from Bank of Baroda, Sydney is secured by way of first charge on all present and future current assets of Joyce Foam Pty. Ltd. and also by way of first charge on plant and equipments of Joyce Foam Pty Ltd. This loan is additionally secured by way of first charge on land and building of Joyce WC NSW Pty Ltd. The loan is further secured by Corporate Guarantee of holding company M/s Sheela Foam Ltd. and additional corporate guarantee of WOS Joyce WC NSW Pty. Ltd. Further, this loan is additionally secured by the personal guarantee of some directors i.e. Mr. Rahul Gautam and Mr. Tushaar Gautam. This loan carry rate of Interest of 425 bps over 6 months BBSW (i.e. 6.37% floating) with quarterly rests, charged on monthly basis.

25.2 Foreign Subsidiary (International Foam Technologies Spain S.L.) - Rs. 5,657.46 lakhs

The Company has taken discounting and foreign trade facilities to meet day to day working capital requirement with interest rate for these facilities ranging from 0.70% & to 1.35%.

25.3 Loan and advance from related party is at call and unsecured. The interest charged equates to the lender's cost of borrowing plus a margin that does not exceed the cost charged by the Bank.

(Rs. In Lakhs)

NOTE-26 TRADE PAYABLES

| | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
|--|----------|------------------------|------------------------|
| Total outstanding dues of micro enterprises and small enterprises | 40.2 | 1,168.31 | 330.31 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 21,796.20 | 15,014.24 |
| | | 22,964.51 | 15,344.55 |

26.1 The trade payables are unsecured and usually non-interest bearing and are paid within 60-90 days of the recognition

(Rs. In Lakhs)

NOTE-27 OTHER CURRENT FINANCIAL LIABILITIES

| | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
|---|----------|------------------------|------------------------|
| Current maturities of Borrowings | 21 | 1,493.74 | 1,866.12 |
| Accrued expenses | | 6,285.00 | 5,199.92 |
| Creditors for assets | | 263.54 | 210.96 |
| Creditors for expense | | 4,218.54 | 2,600.82 |
| Unearned Interest Income | | 142.85 | 320.83 |
| Unearned Rent Income | | 9.52 | 9.52 |
| Payable to employees | | 25.93 | 130.71 |
| Capital Investment subsidy | | 2.83 | 2.73 |
| Employee benefit liabilities - Gratuity | 40.4 | - | 402.95 |
| Other payables | | 144.59 | - |
| TOTAL | | 12,586.54 | 10,744.56 |

27.1 There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as on 31st March, 2021 / 31st March, 2020.



Notes to the Consolidated Financial Statements for the Year ended 31st March, 2021

| | | (Rs. In Lakhs) | |
|----------------------------------|----------|------------------------|------------------------|
| NOTE-28 PROVISIONS | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
| Provision for employee benefits: | 40.4 | | |
| - Gratuity | | 1.43 | - |
| - Leave Encashment | | 1,041.99 | 757.71 |
| Warranty Claims | 28.1 | 426.83 | 530.54 |
| TOTAL | | 1,470.25 | 1,288.25 |

28.1 Warranty Claims:

Provision is recognised for expected warranty claims on mattresses sold, based on past experience of the level of returns in accordance with the Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets". Assumptions used for the said provision are based on sales and current information available about returns based on warranty period. The table below gives information about movement in warranty provision:

| | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Opening Balance | 631.31 | 769.95 |
| Less : Amount utilized during the year | 507.81 | 661.38 |
| | 123.50 | 108.57 |
| Add: Provision made during the year | 498.57 | 522.74 |
| Closing Balance | 622.07 | 631.31 |

NOTE-29 CURRENT TAX LIABILITIES (NET)

| | As at 31st March, 2020 | As at 31st March, 2018 |
|---|------------------------|------------------------|
| Provision for income tax (Net of advance tax) | 453.58 | - |
| TOTAL | 453.58 | - |

NOTE-30 OTHER CURRENT LIABILITIES

| | As at 31st March, 2021 | As at 31st March, 2020 |
|------------------------|------------------------|------------------------|
| Advance from Customers | 5,491.66 | 4,443.72 |
| Statutory liabilities | 1,896.24 | 1,454.16 |
| TOTAL | 7,387.90 | 5,897.88 |



Notes to the Consolidated Financial Statements for the Year ended 31st March, 2021

| | | (Rs. In Lakhs) | | | |
|---------------------------------|--------------------------|--------------------------------|--------------------|--------------------------------|-------------|
| NOTE-31 REVENUE FROM OPERATIONS | | Year ended 31st March, 2021 | | Year ended 31st March, 2020 | |
| Note No. | | | | | |
| | Sale of products | | | | |
| | - Finished Goods | 31.1.a | 2,39,058.11 | 2,10,942.99 | |
| | - Traded Goods | 31.1.b | 4,317.72 | 5,468.79 | 2,16,411.78 |
| | Other operating revenue: | | | | |
| | - Duty drawback | | - | 0.08 | |
| | - GST Refund | 18.1 | - | 731.32 | |
| | - Sale of process scrap | | 159.92 | 220.22 | 951.62 |
| | TOTAL | | 2,43,535.75 | 2,17,368.40 | |

| | | (Rs. In Lakhs) | | | |
|----------------------------------|---|--------------------------------|--------------------|--------------------------------|--|
| 31.1 Detail of sale of products: | | Year ended 31st March, 2021 | | Year ended 31st March, 2020 | |
| | | | | | |
| a | Finished Goods : | | | | |
| | - PU Foam sheets/mattresses/rolls/bolster/pillows etc. | | 2,39,058.11 | 2,10,942.99 | |
| | | | <u>2,39,058.11</u> | <u>2,10,942.99</u> | |
| b | Traded Goods | | | | |
| | - Bed Sheets/Comforters/PU Foam/Spring/Coir mattresses etc. | | 4,317.72 | 5,468.79 | |
| | | | <u>4,317.72</u> | <u>5,468.79</u> | |
| | TOTAL | | 2,43,375.83 | 2,16,411.78 | |

| | | (Rs. In Lakhs) | | | |
|----------------------|--|--------------------------------|-----------------|--------------------------------|--------|
| NOTE-32 OTHER INCOME | | Year ended 31st March, 2021 | | Year ended 31st March, 2020 | |
| Note No. | | | | | |
| | Interest income : | | | | |
| | - Bank deposits | | 21.10 | 59.74 | |
| | - Bonds | | 1,041.83 | 11.19 | |
| | - Income tax refund | | 0.12 | 37.17 | |
| | - Inter corporate deposit | | 48.00 | 5.78 | |
| | - Others | | 264.84 | 356.12 | 470.00 |
| | IT support services - Domestic | | 183.47 | - | |
| | Rent | 32.1 | 643.42 | 194.16 | |
| | Profit on sale of property, plant & equipment (net) | | 51.93 | 266.97 | |
| | Liabilities/provisions no longer required written back | | 19.05 | 10.73 | |
| | Fair value gain on investments (net) | | 366.86 | 659.37 | |
| | Profit on sales of investments (net) | | 1,688.08 | 1,516.19 | |
| | Exchange fluctuation profit (net) | | 409.59 | 369.01 | |
| | Investment subsidy received | | 2.83 | 2.84 | |
| | Sale of non-process scrap | | 378.22 | 422.16 | |
| | Other miscellaneous income | | 88.47 | 87.40 | |
| | TOTAL | | 5,207.76 | 8,996.83 | |

32.1 Includes Rs. 188.86 lakhs (Previous Year : Rs. 152.71 lakhs) on Investment property (refer note 5.3).

| | | (Rs. In Lakhs) | | | |
|------------------------------------|--------------------------------------|--------------------------------|--------------------|--------------------------------|-------------|
| NOTE-33 COST OF MATERIALS CONSUMED | | Year ended 31st March, 2021 | | Year ended 31st March, 2020 | |
| | | | | | |
| | Raw material | | | | |
| | Opening Stock | | 9,520.31 | 8,194.79 | |
| | Addition on Investment in Subsidiary | | - | 646.92 | |
| | Purchases (less returns) | | 1,39,256.73 | 1,04,332.88 | |
| | | | <u>1,48,777.04</u> | <u>1,13,174.59</u> | |
| | Less: Sales /adjustments | | 2,835.00 | 2,829.40 | |
| | Less : Closing Stock | | 16,296.05 | 9,520.31 | 1,00,824.88 |
| | Packing Material | | | | |
| | Opening Stock | | 572.55 | 478.44 | |
| | Purchases (less returns) | | 7,718.25 | 8,768.77 | |
| | | | <u>8,290.80</u> | <u>9,247.21</u> | |
| | Less: Sales /adjustments | | 567.49 | 689.88 | |
| | Less : Closing Stock | | 633.94 | 572.55 | 7,984.78 |
| | TOTAL | | 1,36,735.36 | 1,08,809.66 | |



Notes to the Consolidated Financial Statements for the Year ended 31st March, 2021

| | | (Rs. In Lakhs) | |
|--|--|--------------------------------|--------------------------------|
| NOTE-34 PURCHASES OF STOCK-IN-TRADE | | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Traded goods - Bed Sheets/Comforters/PU Foam/Spring/Coir mattresses etc. | | 1,799.48 | 1,798.33 |
| TOTAL | | 1,799.48 | 1,798.33 |

| | | (Rs. In Lakhs) | |
|--------------------------------------|--|--------------------------------|--------------------------------|
| NOTE-35 OTHER MANUFACTURING EXPENSES | | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Stores consumed | | 948.87 | 1,073.99 |
| Power & fuel | | 1,261.62 | 1,301.40 |
| Repair and maintenance: | | | |
| - Buildings | | 256.25 | 305.89 |
| - Plant & machinery | | 1,645.42 | 1,460.59 |
| Processing & other charges | | 1,798.90 | 2,920.71 |
| TOTAL | | 5,911.06 | 7,062.58 |

| | | (Rs. In Lakhs) | |
|---|--|--------------------------------|--------------------------------|
| NOTE-36 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE | | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Inventories at the end of the year | | | |
| Finished goods | | 3,017.25 | 3,453.05 |
| Stock-in-trade | | 138.23 | 710.34 |
| Stock-in-process | | 6,221.21 | 4,612.86 |
| | | 9,376.69 | 8,776.25 |
| Inventories at the beginning of the year | | | |
| Finished goods | | 3,453.05 | 1,081.94 |
| Finished Goods on Investment in Subsidiary | | - | 997.52 |
| Stock-in-trade | | 710.34 | 1,742.58 |
| Stock-in-process | | 4,612.86 | 4,810.13 |
| | | 8,776.25 | 8,632.17 |
| TOTAL | | (600.44) | (144.08) |

| | | (Rs. In Lakhs) | |
|---|--|--------------------------------|--------------------------------|
| NOTE-37 EMPLOYEE BENEFITS EXPENSE | | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Salaries, wages, bonus, gratuity, leave encashment, allowances etc. | | 20,653.10 | 19,502.49 |
| Contribution to provident, ESI and other funds etc. | | 1,249.32 | 913.51 |
| Workmen & staff welfare expenses | | 1,268.99 | 1,619.40 |
| TOTAL | | 23,170.41 | 22,035.40 |

| | | (Rs. In Lakhs) | |
|--|--|--------------------------------|--------------------------------|
| NOTE-38 FINANCE COSTS | | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Interest Expense on : | | | |
| - Term loans | | 241.64 | 159.28 |
| - Working capital loans | | 43.98 | 26.21 |
| - Loans from finance credit institutions | | 48.22 | 28.89 |
| - Loans from others | | 7.64 | 1.60 |
| - Income tax | | 0.02 | 1.37 |
| - Security deposits | | 757.92 | 692.51 |
| - Lease liabilities | | 422.88 | 232.52 |
| - Others | | 50.52 | 48.73 |
| Bank Charges | | 1,572.82 | 1,191.11 |
| | | 195.45 | 108.50 |
| TOTAL | | 1,768.27 | 1,299.61 |



Notes to the Consolidated Financial Statements for the Year ended 31st March, 2021

| NOTE-39 OTHER EXPENSES | Note No. | (Rs. In Lakhs) | |
|---|----------|--------------------------------|--------------------------------|
| | | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Rent | | 528.42 | 306.37 |
| Insurance | | 1,063.98 | 682.09 |
| Rates & taxes | | 281.88 | 183.66 |
| Repair & maintenance others | | 785.16 | 922.72 |
| Advertisement expenses | | 5,221.62 | 6,940.53 |
| Travelling and conveyance | | 747.78 | 1,485.30 |
| Legal and professional | | 557.58 | 1,326.57 |
| Payment to Auditors: | | | |
| - Audit Fees | | 94.81 | 83.11 |
| - Certification work | | 3.54 | 3.50 |
| - Reimbursement of expenses | | 0.75 | 2.91 |
| Contributions towards CSR | 40.9 | 489.55 | 344.00 |
| Advances/Balances written off | | 59.67 | 212.30 |
| Investment written off | 40.14.a | 1.02 | - |
| Provision for doubtful receivables | | 258.57 | 123.07 |
| Bad debts written off | | 69.88 | - |
| Less: Provision for doubtful receivables | | 51.19 | 18.69 |
| Selling & promotional expenses (net) | | 3,111.73 | 3,724.31 |
| Sales promotion schemes (net) | | 11,395.82 | 13,503.31 |
| Freight & cartage (net) | | 11,301.23 | 10,148.21 |
| Incentives & Rebates | | 1,690.60 | 5,217.31 |
| Property, Plant & Equipment written off (net) | | 13.26 | 26.65 |
| Miscellaneous expenses | | 2,662.46 | 2,524.09 |
| TOTAL | | 40,288.12 | 47,760.01 |



NOTE - 40 : OTHER NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

40.1 Contingent Liabilities and Commitments: -

(Rs. in Lakhs)

| Sr. No. | Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|-----------|---|------------------------|-----------------|------------------------|-----------------|
| A. | Contingent Liabilities | | | | |
| i. | Claims against the Group not acknowledged as debts - Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards : (refer 'Note - a' below) | | | | |
| | - Sales tax | 888.28 | | 888.54 | |
| | - Entry tax | 165.24 | | 57.72 | |
| | - GST | -- | | 2.29 | |
| | - Income tax | 447.57 | | 679.19 | |
| | - Excise Duty | 380.46 | 1,881.55 | 236.31 | 1,864.05 |
| ii. | Guarantees given by the Bankers on behalf of the Company to third parties | | 43.04 | | 24.86 |
| iii. | Others - for which the Holding Company is contingently liable | | 75.00 | | 75.00 |
| B. | Commitments | | | | |
| i. | Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) | | 3,454.69 | | 3,582.96 |
| | TOTAL | | 5,454.28 | | 5,546.87 |

(a) The Group is contesting these demands and the management including its advisers are of the view that these demands may not be sustainable at the appellate level. The management believes that the ultimate outcome of these proceedings will not have any material adverse effect on the Group's financial position and results of operations. The Group does not expect any reimbursement in respect of these contingent liabilities and it is not practicable to estimate the timing of cash outflows, if any, in respect of these matters, pending resolution of the appellant proceedings.

40.2 Disclosure required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006 (in respect of the Companies incorporated in India):-

(Rs. in Lakhs)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| i. Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act. | | |
| - Principal | 1,168.31 | 330.31 |
| - Interest | -- | -- |
| ii. Amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | -- | -- |
| iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act. | -- | -- |
| iv. The amount of interest accrued and remaining unpaid | -- | -- |
| v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006 | -- | -- |
| Total | 1,168.31 | 330.31 |

The above information regarding dues to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information collected with the Holding Company and its Indian Subsidiaries. Further, the amount payable to these parties is not overdue hence no interest is required to be provided/accrued as at 31.03.2021/31.03.2020.



40.3 Employee Stock Option Scheme

In an earlier year, the shareholders of the Holding Company through special resolution approved issue of 24,00,000 options exercisable into 24,00,000 equity shares under the scheme titled "Sheela Foam Employees Stock Options Scheme 2016 ("ESOS 2016")" which provides for granting options to employees of the Holding Company and its subsidiaries who meet the eligibility criteria under the scheme. The vesting period shall commence after a period of not less than one year from the date of grant of options under the scheme and the maximum vesting period may extend up to five years from the date of grant, unless otherwise decided by the management. As on date, no options have been granted under ESOS 2016.

40.4 Employee Benefits:-

(a) Defined Benefit plans:

Gratuity : Payable on separation as per the Payment of Gratuity Act, 1972 as amended @ 15 days pay, for each completed year of service to the Holding Company's eligible employees who render continuous service of 5 years or more.

Leave Encashment : Employees of the Holding Company are entitled to accumulate their earned/privilege leave up to a maximum of 45 days which is payable/ encashable as per the policy on their separation.

(b) Long Term Benefit:

Long Service Award : Payable as retention earned leave to eligible employees of the Holding Company, after completion of service of five years, which can be en-cashed or accumulated till retirement. During the year amount of Rs. 121.89 lakhs (Previous Year: Rs. 723.81 lakhs) has been charged to the Statement of Profit and Loss towards the said benefit.

(c) Defined Contribution plan:

Holding Company & its one subsidiary employees are covered by Provident Fund and Employees State Insurance Scheme/Fund and National Pension Scheme, to which the companies makes a defined contribution measured as a fixed percentage of salary. During the year, amount of Rs. 642.63 lakhs (Previous Year: Rs. 668.28 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

| | Year ended 31 st March, 2021 (Rs. in lakhs) | Year ended 31 st March, 2020 (Rs. in lakhs) |
|---|--|--|
| Employer's contribution towards Provident Fund (PF) | 556.00 | 561.50 |
| Employer's contribution towards Employees State Insurance (ESI) | 54.91 | 63.61 |
| Employer's contribution towards National Pension Scheme (NPS) | 31.72 | 43.17 |

(d) Other disclosures, as required under Ind AS-19 in respect of Defined Benefit plans (of the Holding Company & its one subsidiary company) which are determined based on actuarial valuation, are as under: -

i) Reconciliation of the opening and closing balances of Defined Benefit Obligation :

| Particulars | (Rs. in Lakhs) | | | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Gratuity | | Leave Encashment | |
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Present Value of Defined Benefit Obligation at the beginning of year | 1,891.61 | 1,417.99 | 647.97 | 392.33 |
| Interest cost | 128.25 | 111.03 | 43.93 | 30.72 |
| Current Service Cost | 238.98 | 141.99 | 95.14 | 49.97 |
| Benefit Paid | (158.30) | (58.55) | (489.79) | (118.82) |



| | | | | |
|--|----------|----------|---------|--------|
| Actuarial (Gain) / Loss arising from Change in Financial Assumptions | (66.04) | 223.19 | (10.60) | 76.90 |
| Actuarial (Gain) / Loss arising from Change in Demographic Assumptions | -- | (0.93) | -- | (0.31) |
| Actuarial (Gain) / Loss arising from Changes in Experience Adjustments | (159.56) | 56.89 | (0.46) | 217.18 |
| Present value of the Defined Benefit Obligation at the end of year | 1,874.94 | 1,891.61 | 286.19 | 647.97 |

ii) Net Defined Benefit recognized in the Statement of Profit and Loss.

(Rs. in Lakhs)

| Particulars | Gratuity | | Leave Encashment | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Current Service Cost | 238.98 | 141.99 | 95.14 | 49.97 |
| Net Interest cost | 27.32 | (1.77) | 43.93 | 30.72 |
| Net Defined Benefit recognized in Statement of Profit and Loss | 266.30 | 140.22 | 139.07 | 80.69 |

iii) Recognized in Other Comprehensive Income.

(Rs. in Lakhs)

| Particulars | Gratuity | | Leave Encashment | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Actuarial (Gain)/Loss on arising from Change in Financial Assumption | (66.04) | 223.19 | (10.60) | 76.90 |
| Actuarial (Gain)/Loss on arising from Change in Demographic Assumption | -- | (0.93) | -- | (0.31) |
| Actuarial (Gain)/Loss on arising from Changes in Experience Adjustments | (159.56) | 56.89 | (0.46) | 217.18 |
| Return on Plan Asset (Excluding Interest) | (16.30) | 6.07 | -- | -- |
| Net actuarial (Gain)/Loss | (241.90) | 285.22 | (11.06) | 293.77 |

iv) Reconciliation of the opening and closing balances of fair value of Plan Assets

(Rs. in Lakhs)

| Particulars | Gratuity | | Leave Encashment | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Fair value of Plan Assets at the beginning of year | 1,488.67 | 1,440.58 | - | - |
| Expected return on plan Assets | 100.93 | 112.80 | - | - |
| Employer's Contribution | 402.95 | -- | - | - |
| Admin Charges | (0.02) | (0.09) | - | - |
| Remeasurement of the (Gain) /Loss in Other Comprehensive Income | (16.30) | 6.07 | - | - |
| Return on Plan Assets excluding interest income | -- | - | - | - |
| Benefits paid | (158.30) | (58.55) | - | - |



| | | | | |
|--|----------|----------|---|---|
| Fair value of Plan Assets at the end of year | 1,850.52 | 1,488.67 | - | - |
|--|----------|----------|---|---|

v) Net Defined Benefit Assets / (Liability) recognized in the Balance Sheet

(Rs. in Lakhs)

| Particulars | Gratuity | | Leave Encashment | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Present value of the Defined Benefit Obligation at the end of year | (1,874.94) | (1,891.61) | (286.19) | (647.97) |
| Fair value of Plan Assets at the end of year | 1,850.52 | 1,488.66 | - | - |
| Net Defined Benefit Assets / (Liability) recognized in the Balance Sheet | (24.42) | (402.95) | (286.19) | (647.97) |

vi) Broad categories of Plan Assets as percentage of total assets

| Particulars | Gratuity | | Leave Encashment | |
|-----------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Insurer Managed Funds | 100% | 100% | N.A. | N.A. |

vii). Sensitivity Analysis*

a) Impact of the change in the discount rate

(Rs. in Lakhs)

| Particulars | Gratuity | | Leave Encashment | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Present value of the Defined Benefit Obligation at the end of year | 1,874.94 | 1,891.61 | 286.19 | 647.97 |
| a) Impact due to increase of 1.00% (Previous year: 1.00%) | (204.26) | (213.81) | (32.99) | (73.68) |
| b) Impact due to decrease of 1.00% (Previous year: 1.00%) | 241.28 | 253.80 | 39.47 | 87.59 |

b) Impact of the change in the salary increase

(Rs. in Lakhs)

| Particulars | Gratuity | | Leave Encashment | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Present value of the Defined Benefit Obligation at the end of year | 1,874.94 | 1,891.61 | 286.19 | 647.97 |
| a) Impact due to increase of 1.00% (Previous year: 1.00%) | 243.96 | 255.83 | 39.91 | 88.29 |
| b) Impact due to decrease of 1.00% (Previous year: 1.00%) | (209.82) | (219.05) | (33.88) | (75.48) |

*Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

* Sensitivities as to rate of inflation, rate of increase of pension in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.



viii. Maturity Profile.

(Rs. in Lakhs)

| Year | Gratuity | | Leave Encashment | |
|----------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| 0 to 1 year | 65.01 | 56.70 | N. A | |
| 1 to 2 Year | 82.84 | 67.10 | | |
| 2 to 3 Year | 44.28 | 56.31 | | |
| 3 to 4 Year | 71.05 | 72.37 | | |
| 4 to 5 Year | 98.56 | 141.09 | | |
| 5 Year onwards | 1,513.21 | 1,498.04 | | |

ix. Expected contribution for the next Annual reporting period

(Rs. in Lakhs)

| Particulars | Gratuity | | Leave Encashment | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Service Cost | 173.48 | 185.05 | 36.01 | 84.21 |
| Net Interest Cost | 7.27 | 27.32 | 20.26 | 43.93 |
| Expected Expense for the next annual reporting period | 180.75 | 212.37 | 56.07 | 128.14 |

x. Actuarial Assumptions:

Principal assumptions used for actuarial valuation are:

| Particulars | Gratuity | | Leave Encashment | |
|--|---|--------------------------------|----------------------------------|--------------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Method used | Projected unit credit method | | | |
| Discount rate | 7.08% | 6.78% | 7.08% | 6.78% |
| Salary Escalation | 5.00% | 5.00% | 5.00% | 5.00% |
| Mortality Rate | IALM (2012-14) (P. Year IALM (2006-08)) | | | |
| Withdrawal rate up to 30/44 and above 44 years | 3%/2%/1% | | | |
| Rate of return on plan assets | 7.08 P.A. | 6.78 P.A. | N.A. as there are no plan assets | |

40.5 Segment Reporting

a. Primary Segment
Business Segment

The Group has considered business segment as the primary segment for disclosure. The Group is primarily engaged in the manufacturing of the products of same type/class and as such there is no reportable segment as per Indian Accounting Standard (Ind AS-108) dealing with the segment reporting.

b. Secondary Segment

Geographical Segment : The analysis of the geographical segment is based on the sales made within India and Outside India by the Group.

(Rs. in Lakhs)

| Particulars | For the Year Ended 31st March, 2021 | | |
|--|--|---------------|-------------|
| | Within India | Outside India | Total |
| Net Sales/Income from Operations | 1,68,949.07 | 74,586.68 | 2,43,535.75 |
| Total Assets | 1,23,467.74 | 84,117.48 | 2,07,585.22 |
| Cost incurred during the period to acquire property, plant & equipment | 1,764.33 | 4,710.27 | 6,474.60 |

| Particulars | For the Year Ended 31st March, 2020 | | |
|--|--|---------------|-------------|
| | Within India | Outside India | Total |
| Net Sales/Income from Operations | 1,75,476.98 | 41,886.42 | 2,17,363.40 |
| Total Assets | 96,950.77 | 67,437.65 | 1,64,388.42 |
| Cost incurred during the period to acquire property, plant & equipment | 5,744.39 | 410.53 | 6,154.92 |



40.6 Related Party Disclosures (Ind AS-24):

A. List of Related Parties and relationships

(a) Entities in which Key Management Personnel or their Relatives have significance influence

- Rangoli Resorts Pvt. Ltd.
- Core Moulding Pvt. Ltd.
- Sleepwell Foundation (Trust)

(b) Key Management Personnel (KMP) :

- Mr. Rahul Gautam (Managing Director) *
 - Mr. Rakesh Chahar (Whole-time Director)
 - Mrs. Namita Gautam (Whole-time Director) *
 - Mr. Tushaar Gautam (Whole-time Director) *
 - Mr. Frank Van Gogh (CEO & Director) **
 - Mr. Edward John Dodds (Finance Manager) **
 - Mr. Alejandro Juan Palao Serrano (Director & Administrator) **
- * Also having significant influence through major shareholding.
** Of Foreign Subsidiary/Step-down Subsidiary

(c) Relatives of Key management Personnel:

- Late Mrs. Sheela Gautam (Mother of Mr. Rahul Gautam) (demise on 08.06.2019)*
- Mrs. Leanne Dodds (Wife of Finance Manager)

Note: Related party relationship is as identified by the Group and relied upon by the Auditors.

B. Transactions with related parties:

| Transactions | (Rs. in Lakhs) | | |
|---|------------------|--------------------------|---------------------------------------|
| | Related Entities | Key Management Personnel | Relatives of Key Management Personnel |
| (i) Transactions during the year: | | | |
| a. Purchase of Material / Capital Goods | - | - | - |
| | (3.59) | (-) | (-) |
| b. Sale of Material/ Capital Goods | 0.33 | - | - |
| | (0.77) | (-) | (-) |
| c. Rent received | - | - | - |
| | (0.24) | (-) | (-) |
| d. Interest paid/payable | - | - | - |
| | (-) | (0.29) | (0.67) |
| e. Remuneration including Performance Incentives | - | 1,038.41 | - |
| | (-) | (932.24) | (-) |
| f. Reimbursement of expenses | - | - | - |
| | (-) | (-) | (-) |
| g. Contributions under CSR | 325.00 | - | - |
| | (331.25) | (-) | (-) |
| h. Repayment of long-term loan and advances | - | - | - |
| | (-) | (54.92) | (60.11) |
| <hr/> | | | |
| | Related Entities | Key Management Personnel | Relatives of Key Management Personnel |
| (ii) Closing balance as at 31st March, 2021 / 31st March, 2020: | | | |
| a. Loans and Advances payable | - | 111.40 | - |
| | (-) | (92.56) | (-) |

Note : (Figures in bracket are for the year ended March 31, 2020)



40.7 Leases:

a. Group as Lessee

Group has taken various properties on Operating Leases in its normal course of business which contain extension option after the initial contract period. The amounts recognized on account of leases are as under:

i. Amount recognized in Statement of Profit and Loss.

(Rs. in lakhs)

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|-------------------------------------|--|--|
| Interest expense on lease liability | 422.88 | 232.52 |
| Amortization of Right-of-use assets | 2,251.84 | 1,574.20 |

ii. Amount recognized in Balance Sheet.

(Rs. in lakhs)

| Particulars | As at 1 st April, 2020 | Addition/ (Deletion) during the year | As at 31 st March, 2021 |
|---|--------------------------------------|---|---------------------------------------|
| Lease liabilities – Non-Current | 8,238.51 | 2,616.56 | 10,855.07 |
| Lease liabilities – Current | 1,594.19 | 410.98 | 2,005.17 |
| Right-of-use assets (Gross) (Refer Note 4) | 13,262.98 | 3,796.30 | 17,059.28 |

iii. Maturity Profile

(Rs. In lakhs)

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|--|--|--|
| Maturity analysis – contractual undiscounted cash flows | | |
| Within 1 year | 2,411.02 | 1,943.54 |
| Within 2 years | 2334.98 | 1,269.11 |
| Within 3 years | 1805.13 | 1,205.70 |
| Within 4 years | 1357.67 | 812.37 |
| Within 5 years | 780.92 | 660.70 |
| Within 6 years and upto 99 years | 8,114.48 | 7,651.83 |
| Total undiscounted lease liabilities | 16,804.20 | 13,543.26 |
| Impact of discounting and other adjustments | 3,943.96 | 3,710.56 |
| Lease liabilities included in the Balance Sheet | 12,860.24 | 9,832.70 |

b. Group as Lessor

Group has entered into lease agreements to lease the following properties which have been treated as "Investment Property".

| | |
|--|---|
| Land & Factory Building situated at Sikkim | The lease agreement was executed on 1 st December, 2016. The said lease is for a term of 10 years with a clause to enable upward revision of the rental charge after every 3 years. The total rent recognized as income during the year is Rs. 153.12 lakhs (Previous year: Rs. 145.99 lakhs). |
| Residential Flat situated at Greater Noida | The lease agreement was executed w.e.f. 15 th September, 2018. The said lease was initially for a term of 11 months with a clause of subsequent renewal by mutual consent and the same being ongoing renewed. The total rent recognized as income during the year is Rs. 7.08 lakhs (Previous year: Rs. 6.72 lakhs). |
| Land & Factory Building situated at Silvassa | The lease agreement was executed w.e.f. 31 st August, 2020. The said lease is for an initial period of 3 years with a clause of automatically renewal for year-on-year basis until receive termination from party. Lease rent will be increased by 5% if both parties agreed on year-on-year basis. The total rent recognized as income during the year is Rs. 28.66 lakhs (Previous year: Nil). |



40.8 Earnings per Share:

(Rs. in Lakhs)

| Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|--|--------------------------------|--------------------------------|
| Net Profit as per Statement of Profit and Loss-(Rs. in Lakhs) | 24,015.14 | 19,428.62 |
| Basic/Diluted weighted average number of equity shares outstanding during the year | 4,87,82,808 | 4,87,82,808 |
| Nominal value of Equity Share (Rs.) | 5.00 | 5.00 |
| Basic/Diluted Earnings per Share (Rs.) | 49.23 | 39.83 |

40.9 Corporate Social Responsibility:

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Holding Company. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects. The contributions towards CSR was on the activities which are specified in Schedule VII of the Companies Act, 2013. The detail of the amount spent during the period is as under:

(Rs. in Lakhs)

| | Amount spent during the current year ended 31st March, 2021 | Amount pending for spending as at 31st March, 2021 | Total Amount |
|--|--|---|--------------|
| - Gross Amount lying pending for the earlier year as at 01.04.2020 | | | - |
| - Gross Amount required to be spent during the year | | | 372.91 |
| - Amount spent during the year: | | | |
| a. Construction/acquisition of any asset | - | - | - |
| b. Contribution to Trusts / NGOs / Societies | 489.55 | - | 489.55 |

40.10 Financial and Derivative Instruments:

- During the year, there are no Derivative contracts entered by the Company for Hedging Currency (Previous year: Rs. 28.51 lakhs).
- Foreign currency exposures that are not hedged by derivative instruments are given below:

(Rs. in Lakhs)

| Foreign Currency (FC) | Currency Symbol | As at 31st March, 2021 | | As at 31st March, 2020 | |
|-------------------------------|-----------------|---------------------------|-----------------|---------------------------|-----------------|
| | | FC | INR | FC | INR |
| Liabilities | | | | | |
| Trade Payables | | | | | |
| United States Dollar | \$ | (15.37) | (1,155.46) | (7.71) | (594.36) |
| Great Britain Pound | £ | (0.06) | (6.20) | - | - |
| Euro | € | (2.47) | (208.94) | (0.51) | (43.39) |
| Chinese Yuan | ¥ | - | - | (16.04) | (182.75) |
| Advance from Customers | | | | | |
| United States Dollar | \$ | (1.14) | (85.99) | (0.02) | (1.64) |
| Assets | | | | | |
| Trade Receivables | | | | | |
| United States Dollar | \$ | 2.02 | 150.03 | 0.76 | 55.96 |
| Advance to Vendor | | | | | |
| United States Dollar | \$ | 1.46 | 104.71 | - | - |
| Euro | € | 0.48 | 39.88 | 1.78 | 143.58 |
| Great Britain Pound | £ | 3.63 | 356.05 | 3.64 | 329.46 |
| Net Liability (in INR) | | | (805.92) | | (293.14) |



40.11 Fair Value Measurements

The carrying amounts and fair values of the financial instruments by class are as follows:

(Rs. in Lakhs)

| Particulars | Carrying amount/Fair value | |
|---|------------------------------------|------------------------------------|
| | As at 31 st March, 2021 | As at 31 st March, 2020 |
| Financial assets | | |
| <u>Carrying amounts/fair value:</u> | | |
| a) Measured at fair value through profit and loss | | |
| Non-current assets | | |
| – Investments | – | 1,182.97 |
| Current assets | | |
| – Investments | 7,488.71 | 21,960.09 |
| b) Measured at fair value through other comprehensive income | | |
| Non-current assets | | |
| – Investments | 30,359.64 | – |
| Current assets | | |
| – Investments | 3,212.45 | – |
| c) Measured at amortised cost | | |
| Non-current assets | | |
| – Investments | 0.35 | 0.35 |
| – Loans | 274.52 | 258.29 |
| – Other non-current financial assets | 260.08 | 212.91 |
| Current assets | | |
| – Trade receivables | 30,215.33 | 21,577.35 |
| – Cash and cash equivalents | 5,736.31 | 4,410.71 |
| – Bank balances other than cash and cash equivalents | 73.78 | 50.93 |
| – Loans | 555.24 | 561.25 |
| – Other current financial assets | 1,343.22 | 554.17 |
| Total | 79,519.63 | 50,769.02 |
| Financial liabilities | | |
| <u>Carrying amounts/fair value:</u> | | |
| a) Measured at fair value through profit and loss | | |
| Financial Guarantee Contracts | – | – |
| b) Measured at fair value through other comprehensive income | – | – |
| c) Measured at amortised cost | | |
| Non-current liabilities | | |
| – Borrowings | 13,263.48 | 15,713.15 |
| – Lease Liabilities | 10,855.07 | 8,238.51 |
| – Other non-current financial liabilities | 8,444.62 | 7,372.61 |
| Current liabilities | | |
| – Borrowings | 7,299.14 | 3,601.77 |
| – Lease Liabilities | 2,005.17 | 1,594.19 |
| – Trade payables | 22,964.51 | 15,344.55 |
| – Other current financial liabilities | 12,586.54 | 10,744.55 |
| Total | 77,418.53 | 62,609.33 |

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:



- The Group has disclosed financial instruments such as trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.
- Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Disclosures of fair value measurement hierarchy for financial instruments are given below:

(Rs. in lakhs)

| Particulars | Carrying amount/Fair value | | | | | |
|--|---------------------------------------|------------------|------------------|---------------------------------------|-----------|------------------|
| | As at 31 st March, 2021 | | | As at 31 st March, 2020 | | |
| | L-1 | L-2 | L-3 | L-1 | L-2 | L-3 |
| Financial assets | | | | | | |
| <u>Carrying amounts/fair value:</u> | | | | | | |
| a) <u>Measured at fair value through profit and loss</u> | | | | | | |
| Non-current assets | | | | | | |
| - Investments | -- | -- | -- | 1,182.97 | -- | -- |
| Current assets | | | | | | |
| - Investments | 7,488.71 | -- | -- | 21,960.09 | -- | -- |
| b) <u>Measured at fair value through other comprehensive income</u> | | | | | | |
| Non-current assets | | | | | | |
| - Investments | -- | 30,359.64 | -- | | | |
| Current assets | | | | | | |
| - Investments | -- | 3,212.45 | -- | | | |
| c) <u>Measured at amortised cost</u> | | | | | | |
| Non-current assets | | | | | | |
| - Investments | -- | -- | -- | -- | -- | 0.35 |
| - Loans | -- | -- | 0.35 | -- | -- | 258.29 |
| - Other non-current financial assets | -- | -- | 274.52 | -- | -- | 212.91 |
| | | | 260.08 | -- | -- | |
| Current assets | | | | | | |
| - Trade receivables | -- | -- | 30,215.33 | -- | -- | 21,577.35 |
| - Cash and cash equivalents | -- | -- | 5,736.31 | -- | -- | 4,410.71 |
| - Bank balances other than cash and cash equivalents | -- | -- | 73.78 | -- | -- | 50.93 |
| - Loans | -- | -- | 555.24 | -- | -- | 561.25 |
| - Other current financial assets | -- | -- | 1,343.22 | -- | -- | 554.17 |
| Total | 7,488.71 | 33,572.09 | 38,458.83 | 23,143.06 | -- | 27,625.96 |



| Financial liabilities | | | | | | |
|---|----|----|------------------|----|----|------------------|
| Carrying amounts/fair value: | | | | | | |
| a) <u>Measured at fair value through profit and loss</u> | -- | -- | -- | -- | -- | -- |
| b) <u>Measured at fair value through other comprehensive income</u> | -- | -- | -- | -- | -- | -- |
| c) <u>Measured at amortised cost</u> | | | | | | |
| Non-current liabilities | | | | | | |
| - Borrowings | -- | -- | 13,263.48 | -- | -- | 15,713.15 |
| - Lease Liabilities | -- | -- | 10,855.07 | -- | -- | 8,238.51 |
| - Other non-current financial liabilities | -- | -- | 8,444.62 | -- | -- | 7,372.61 |
| Current liabilities | | | | | | |
| - Borrowings | -- | -- | 7,299.14 | -- | -- | 3,601.77 |
| - Lease Liabilities | -- | -- | 2,005.17 | -- | -- | 1,594.19 |
| - Trade payables | -- | -- | 22,964.51 | -- | -- | 15,344.55 |
| - Other current financial liabilities | -- | -- | 12,586.54 | -- | -- | 10,744.55 |
| Total | -- | -- | 77,418.53 | -- | -- | 62,609.33 |

40.12 Capital Management

Equity share capital and other equity are considered for the purpose of Group's capital management.

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

40.13 Financial risk management objectives and policies

The Group's principal financial liabilities, comprise of borrowings, security deposits, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group are accountable to the Board of Directors and Audit Committee. This process provides assurance to Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Group policies and Group risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include borrowings, security deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2021. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2021.



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(i) **Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future Group's cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from various countries. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EURO, GBP, Chinese Yuan, AED and AUD exchange rates, with all other variables held constant. The impact on the group profit before tax is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the group that have not been hedged by a derivative instrument or otherwise are as under:

| Foreign Currency (FC) | Currency Symbol | As at 31 st March, 2021 | | As at 31 st March, 2020 | |
|-------------------------------|-----------------|------------------------------------|-----------------|------------------------------------|-----------------|
| | | FC | INR | FC | INR |
| Liabilities | | | | | |
| Trade Payables | | | | | |
| United States Dollar | \$ | (15.37) | (1,155.46) | (7.71) | (594.36) |
| Great Britain Pound | £ | (0.06) | (6.20) | -- | -- |
| Euro | € | (2.47) | (208.94) | (0.51) | (43.39) |
| Chinese Yuan | ¥ | -- | -- | (16.04) | (182.75) |
| Advance from Customers | | | | | |
| United States Dollar | \$ | (1.14) | (85.99) | (0.02) | (1.64) |
| Assets | | | | | |
| Trade Receivables | | | | | |
| United States Dollar | \$ | 2.02 | 150.03 | 0.76 | 55.96 |
| Advance to Vendor | | | | | |
| United States Dollar | \$ | 1.46 | 104.71 | -- | -- |
| Euro | € | 0.48 | 39.88 | 1.78 | 143.58 |
| Great Britain Pound | £ | 3.63 | 356.05 | 3.64 | 329.46 |
| Net Liability (in INR) | | | (805.92) | | (293.14) |

(Rs. in Lakhs)

| Impact on profit before tax and equity | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|------------------------------------|------------------------------------|
| 5% Increase | (-)40.30 | (-)14.66 |
| 5% Decrease | (+)40.30 | (+)14.66 |

Note: Figures in bracket represents payables

(ii) **Interest Rate Risk**

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group policy is to minimize interest rate cash flow risk exposure on long term financing. The group is exposed to changes in market interest rates through bank borrowings at fixed & variable interest rates.

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|------------------------------------|------------------------------------|
| Fixed Rate borrowing | -- | -- |
| Variable Rate borrowing | 14,757.22 | 17,579.27 |
| Total borrowings | 14,757.22 | 17,579.27 |
| Impact on profit before tax and equity | | |
| Interest sensitivity | | |
| Interest Rate -Increase by 100 basis points | (+)147.57 | (+)175.79 |
| Interest Rate -decrease by 100 basis points | (-)147.57 | (-)175.79 |



Commodity Price Risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of bedding articles, home comfort products, furniture cushioning and specialized foam and therefore require a continuous supply of raw materials i.e. TDI and Polyol being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the TDI and Polyol, the Group has entered into various purchase contracts for these material for which there is an active market. The Group's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Group partly mitigated the risk of price volatility by entering into the contract for the purchase of these material and further the Group increases prices of its products as and when appropriate to minimize the impact of increase in raw material prices.

(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

i) Trade Receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating review and individual credit limits are defined in accordance with this assessment. The Group regularly monitors its outstanding customer receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

ii) Financial instruments and cash & bank deposits

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy. Investments of surplus funds are made in bank deposits, bonds, debentures and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at 31st March, 2020 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Group.

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|---------------------------------------|---------------------------------------|
| Non-current assets | | |
| - Investments | 30,359.99 | 1,183.32 |
| - Loans | 274.52 | 258.29 |
| - Other non-current financial assets | 260.08 | 212.91 |
| Current assets | | |
| - Investments | 10,701.17 | 21,960.09 |
| - Trade receivables | 30,215.33 | 21,577.35 |
| - Cash and cash equivalents | 5,736.31 | 4,410.71 |
| - Bank balances other than cash and cash equivalents | 73.78 | 50.93 |
| - Loans | 555.24 | 561.25 |
| - Other current financial assets | 1,343.22 | 554.17 |
| Total | 79,519.64 | 50,769.02 |

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits, short term investments and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group assessed the concentration of risk with respect to its debt and concluded it to be very low.



Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date:

| Particulars | Carrying Value | Less than 1 year | More than 1 Year |
|--|------------------|------------------|------------------|
| As at 31st March, 2021 | | | |
| Borrowings | 22,056.36 | 7,299.14 | 14,757.22 |
| Lease Liabilities | 12,860.24 | 2,005.17 | 10,855.07 |
| Trade payables | 22,964.51 | 22,964.51 | - |
| Other non-current financial liabilities | 8,444.62 | - | 8,444.62 |
| Other current financial liabilities | 12,586.54 | 12,586.54 | - |
| Total | 69,798.87 | 44,855.36 | 34,056.91 |

| Particulars | Carrying Value | Less than 1 year | More than 1 Year |
|--|------------------|------------------|------------------|
| As at 31st March, 2020 | | | |
| Borrowings | 21,181.05 | 5,467.89 | 15,713.16 |
| Lease Liabilities | 9,832.70 | 1,594.19 | 8,238.51 |
| Trade payables | 15,344.55 | 15,344.55 | - |
| Other non-current financial liabilities | 7,372.61 | - | 7,372.61 |
| Other current financial liabilities | 8878.43 | 8878.43 | - |
| Total | 62,609.34 | 31,285.06 | 31,324.28 |

40.14 Salient Features of financials of Subsidiaries as per the Companies

(Rs. in Lakhs)

| Particulars | Subsidiaries | | | | | |
|--|--|--|--|--|---|---|
| | Joyce Foam Pty. Ltd. And Controlled Entities (Foreign Subsidiary) (Note - c below) | International Foam Technologies SL, Spain and subsidiaries (Foreign Subsidiary) (Note - b and c below) | Sleep X US INC (Foreign Subsidiary) (Note - a below) | Divya Software Solutions Private Limited (Indian Subsidiary) | Sleepwell Enterprises Private Limited (Indian Subsidiary) | Stago World Private Limited (Indian Subsidiary) |
| Reporting period of the subsidiary concerned, if different from the Holding Company's reporting period | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Reporting currency in case of foreign subsidiaries | AUD | EURO | USD | N.A. | N.A. | N.A. |
| Exchange rate as on the last date of the relevant Financial year in case of foreign subsidiaries | Rs. 55.70 | Rs. 85.92 | N.A. (Note - a below) | N.A. | N.A. | N.A. |
| Share Capital | 3,668.00 | 10,313.22 | (Note - a below) | 9.46 | 1.05 | 1.00 |
| Reserves & Surplus | 10,622.88 | 4,304.79 | | 6,171.89 | 235.89 | 369.96 |
| Total Assets | 36,265.17 | 48,397.58 | | 6,198.61 | 264.24 | 500.18 |
| Total Liabilities | 21,974.30 | 32,910.56 | | 17.27 | 27.31 | 129.22 |
| Investments | - | - | | - | 100.83 | - |
| Turnover / Total Income | 41,767.98 | 33,673.70 | | 27.14 | 85.66 | 1,335.70 |
| Profit / (Loss) before tax | 3,835.27 | 4,420.10 | | (419.22) | 77.82 | 364.67 |
| Provision for tax | 1,140.32 | 909.51 | | 2.73 | 12.40 | 73.53 |
| Profit / (Loss) after tax | 2,694.95 | 3,510.59 | | (421.95) | 65.42 | 291.14 |
| Proposed Dividend | - | - | | - | - | - |
| % of shareholding | 100% | 100% | 100% | 100% | 100% | |



- a. During the previous year, the Holding Company had incorporated the said Wholly Owned Subsidiary Company (WOS) in Delaware, USA, for the purpose of marketing of the products of the Holding Company in USA, however, as no share capital had been subscribed or investment had been made therein, there was no impact of the same on the financial statements except that the expenditures incurred for acquisition were capitalised as investment in WOS. Further, during the current year the Company has dissolved the said Subsidiary on 29.03.2021 and expenditure incurred for acquisition has been written off and shown under Note 39 - Other Expenses - Investment written off.
- b. The International Foam Technologies SL, Spain, (the 'IFTS') in the earlier year had signed with the former owners of a running company namely Interplasp, SL Spain for the sale of 93.66% of its share capital. Once the closing actions for transfer of shares were completed, the said contract was released to the public, and IFTS as agreed in the said act, signed an escrow contract and created a deposit charged to the purchase price amounting to 6,874 thousands euros. In the escrow contract derived from the purchase of the shares of Interplasp, S.L. one of the conditions is to release 3.000 thousands euros if a special license is obtained for urban use by public utility in the lands adjacent to the constructions where Interplasp, S.L. develops its activity. The Company had recorded this amount as a higher value of the land, however, the Company has obtained an appraisal that proves that if said urban use were granted, the value of the land would not change and has considered the 3.000 thousands euros as a higher value of goodwill. The Company has recorded this fact retrospectively, modifying the comparative figures from the previous year. The impact on the comparative figures of the previous year is as follows:

Below table describes the restatement made in the financial statements as at 1st April, 2020:

| Particulars | As at 31 st March, 2020 | Restatement | As at 1 st April, 2020 |
|--------------------------------------|---------------------------------------|-------------|--------------------------------------|
| Assets | | | |
| Property, plant and equipment - Land | 3,887.93 | (2,492.40) | 1,395.53 |
| Goodwill | 23,708.21 | 1,750.80 | 25,459.00 |
| | | (741.60) | |
| Liabilities | | | |
| Non-controlling interest | 785.89 | (118.51) | 667.38 |
| Deferred tax liabilities (Net) | 1,715.02 | (623.09) | 1,091.93 |
| | | (741.60) | |

- c. The Holding Company has also given financial guarantees of Rs. 17,924 lakhs to the banks towards guarantees for the loans taken by the foreign Subsidiaries in Spain and Australia.

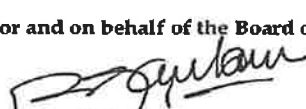
40.15 Additional information pursuant to Schedule III of Companies Act, 2013


| Name of Entity | Net Assets i.e. Total Assets minus Total Liabilities | | Share in Profit | |
|--|---|--------------------------|-----------------------------------|--------------------------|
| | As % of consolidated net assets | Amount (Rs. in lakhs) | As % of consolidated profit | Amount (Rs. in lakhs) |
| Parent / Holding : | | | | |
| Sheela Foam Limited | 88.69 | 1,05,038.23 | 75.18 | 17,874.98 |
| Subsidiaries: | | | | |
| Indian | | | | |
| Divya Software Solutions Private Limited | (0.63) | (740.62) | (1.77) | (421.95) |
| Sleepwell Enterprises Private Limited | 0.20 | 235.89 | 0.28 | 65.42 |
| Stago World Private Limited | 0.31 | 369.96 | 1.22 | 291.14 |
| Foreign | | | | |
| Joyce Foam Pty. Ltd. and Controlled Entities | 7.84 | 9,281.71 | 11.34 | 2,694.96 |
| International Foam Technologies SL, Spain and Subsidiaries | 3.59 | 4,243.87 | 13.75 | 3,267.52 |




- 40.16 The Holding Company in the year 2016-17, had lodged an insurance claim towards the fire in its unit at Greater Noida, and as the management was confident of recovery of the said claim, the loss of Rs. 1199.49 lakhs incurred in the fire was accounted for as "Insurance Claim Receivable". However, as in-spite of continuous follow up, there was no concrete evidence / reasonable positive indication of its recovery, the said claim which was lying under receivable had been written off and debited to the Statement of Profit and Loss, as Exceptional Item during the earlier year 2019-20.
- 40.17 The SARS-CoV-2 virus responsible for COVID-19, which has been declared a Global pandemic by the World Health Organization in 2020, had led to nation-wide lockdown during the year for a quite considerable time. It contributed to a significant decrease in global and local economic activities, and consequently, the revenues and the profitability for the year ended March 31, 2021 have been adversely affected. Further, presently the said pandemic, is re-spreading and is on increasing trend across the globe including India, with various mutating variants. In assessing the recoverability of financial and non-financial assets, the Group has considered internal and external information including economic forecasts available, and based on such information and assessment, the Group expects to recover the carrying amount of these assets. The impact of the pandemic may differ from that estimated as at the date of approval of these financial statements, and such changes, if any, will be prospectively recognised. Further, the extent to which the COVID-19 pandemic will impact the Group's future activities and financial results will depend on future developments which are highly uncertain, and as such no impact thereof, if any required, could be taken in these financial statements.
- 40.18 There are no material differences in the accounting policies of the Holding Company and its Subsidiaries, and the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's separate financial statements.
- 40.19 The previous year's figures have been re-grouped/re-classified wherever considered necessary, and as the accounts for the previous year include the accounts of one foreign subsidiary and one Indian Subsidiary, which have been acquired between the previous year, therefore, the figures for the previous year are not comparable.

For and on behalf of the Board of Directors.


(Rahul Gautam)
Managing Director
DIN-00192999


(Tushaar Gautam)
Whole-time Director
DIN-01646487


(Dhruv Mathur)
Chief Financial Officer


(Md. Iqbal Ahmad)
Company Secretary
M.No.-A20921

As per our report of even date attached.
For S.P. CHOPRA & CO.
Chartered Accountants
Firm Regn. No. 000346N

Place : Noida
Dated: 29th May, 2021



MSKA & Associates

Chartered Accountants

The Palm Springs Plaza
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Gurugram 122001, INDIA
Tel: +91 12 4281 9000

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHEELA FOAM LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the standalone financial statements of Sheela Foam Limited, which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and profit, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

DESCRIPTION OF KEY AUDIT MATTER

Investment in subsidiaries

Refer Note 6 and Note 7 to the standalone financial statements.

The Company has investments in subsidiaries at a gross value of Rs 22,657 lakhs as on March 31, 2022. In accordance with Ind AS 36 - Impairment of assets, at each reporting period end, management assesses the existence of impairment indicators of investments in subsidiaries. Processes and methodologies for assessing and determining the recoverable amount of each investments are based on complex assumptions, that by their nature imply the use of the management's judgment, in particular with reference to identification of impairment indicators, forecast of future cash flows relating to the period covered by the Company's strategic business plan, normalized cash flows assumed as a basis for terminal value, as well as the long-term growth rates and discount rates applied to such forecasted cash flows.

Since the amount of investment in subsidiary is material and involves significant management judgement and estimation, we have identified this as a key audit matter.



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DESCRIPTION OF AUDITOR'S RESPONSE

We evaluated the judgement and estimation used by management in recognising the impairment provision in case of investment in subsidiaries. Our procedures included, but were not limited to the following:

1. Obtained understanding of the Company's policy on assessment of impairment of investments in subsidiaries and the assumption used by the management, including design and implementation of controls, validation of management review controls;
2. Verified the operating effectiveness of the controls on a sample basis;
3. Evaluated management's methodology, assumptions and estimates used in the calculations;
4. Verified completeness, arithmetical accuracy and validity of the data used in the calculations; and
5. Evaluated the appropriateness of the disclosures made in the financial statement in relation to the above as required under applicable accounting standards.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report etc but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs 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 standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

OTHER MATTER

The standalone Ind AS financial statements of the Company for the year ended March 31, 2021, were audited by another auditor whose report dated May 29, 2021 expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 51 to the standalone financial statements;



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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
- iv.
- (1) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 61(i) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (2) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 61(ii) to the standalone financial statements, no funds have been received by the Company from any entity, including foreign entities, that the Company has directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (3) Based on our audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (i) and (ii) contain any material misstatement.
- v. The Company has neither declared nor paid any dividend during the year.
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Manish P Bathija
Partner
Membership No. 216706
UDIN: 22216706AIVAKD2031



Place: Gurugram
Date: May 12, 2022

MSKA & Associates

Chartered Accountants

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ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2022 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Manish P Bathija
Partner
Membership No. 216706
UDIN: 22216706AIVAKD2031



Place: Gurugram
Date: May 12, 2022

MSKA & Associates

Chartered Accountants

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ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED FOR THE YEAR ENDED MARCH 2022

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i.
 - (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
 - B. The Company does not have intangible assets. Accordingly, the provisions stated in paragraph 3(i)(a)(B) related to intangible assets are not applicable to the Company.
 - (b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals during the year and no material discrepancies were identified on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.
 - (d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use Assets). The Company does not have intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
 - (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.
- ii.
 - (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage and procedure of such verification is reasonable and appropriate. No material discrepancies were noticed on such verification.
 - (b) The Company has been sanctioned working capital limits in excess of Rs.5 crores in aggregate from Banks on the basis of security of current assets. Monthly returns/ statements are filed with such Banks are in agreement with the books of account.
- iii.
 - (a) According to the information and explanation provided to us, the Company has made investments in, provided guarantees and granted loans to any other entity.



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(A) The details of such loans or advances and guarantees or investment to subsidiaries are as follows:

| | (Amount in lacs) | | | |
|---|------------------|----------|----------------------------|-------------|
| | Guarantees | Security | Loans (excluding interest) | Investments |
| Aggregate amount granted/ provided during the year | | | | |
| - Subsidiaries | 7,600 | - | 10,800 | 3,000 |
| Balance Outstanding as at balance sheet date in respect of above cases | | | | |
| - Subsidiaries | 29,300 | - | 7,770 | 22,657 |

(B) The details of such loans or advances and guarantees or security to parties other than subsidiary are as follows:

| | (Amount in lacs) | | | |
|---|------------------|----------|-------|----------|
| | Guarantees | Security | Loans | Advances |
| Aggregate amount granted/provided during the year | | | | |
| - Others | - | - | 767 | - |
| Balance Outstanding as at balance sheet date in respect of above cases | | | | |
| - Others | - | - | 1,201 | - |

- (b) In relation to investments, guarantees provided, securities given, according to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions of the loans and advances provided are not prejudicial to the interest of the Company.
- (c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the payment of the principal and interest.
- (d) There are no amounts overdue for more than ninety days in respect of the loan granted to Company/ Firm/ LLP/ Other Parties.
- (e) According to the information explanation provided to us, the loan or advance in the nature of loan granted has not fallen due during the year. Hence, the requirements under paragraph 3(iii) (e) of the Order are not applicable to the Company.



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- (f) According to the information explanation provided to us, the Company has not granted any loans and/ or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment. Hence, the requirements under paragraph 3(iii)(f) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on March 31, 2022 and the Company has not accepted any deposits during the year.
- vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess have been regularly deposited by the Company with appropriate authorities in all cases during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



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- (b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

(Amount in lacs)

| Name of the statute | Nature of dues | Amount Rs. | Amount Paid under Protest | Period to which the amount relates (FY) | Forum where dispute is pending |
|--|----------------|------------|---------------------------|---|---|
| Central Excise Tax Act, 1944 | Excise Duty | 123.85 | - | 2011-2012 & 2012-2013 | The Customs Excise and Service Tax Appellate Tribunal Kolkata |
| | | 241.06 | 9.04 | February 2017 to June 2017 | Commissioner (Appeal) Kolkata |
| | | 45.65 | 1.69 | 2016-17 & 2017-18 | Commissioner (Appeal), Siliguri |
| Income Tax Act, 1961 | Income Tax | 439.12 | 40.00 | 2013-2014 | Delhi High Court |
| The Central Sales Tax Act, 1956 and The Sikkim Sales Tax Act, 1983 | Sales Tax | 46.00 | 46.00 | 2003-2004 & 2004-2005 | Supreme Court |
| The Central Sales Tax Act, 1956 and The Sikkim Sales Tax Act, 1983 | Sales Tax | 393.99 | 393.99 | 2005-06 to 2011-12 | Additional Commissioner Commercial tax |
| The West Bengal Value Added Tax Act, 2003 | Sales Tax | 40.98 | 0.30 | 2012-2013 | Sales Tax Appellate Tribunal, West Bengal |
| West Bengal Tax on Entry of Goods into Local Areas Act, 2012 | Entry Tax | 28.87 | - | 2012-13 & 2013-14 | Supreme Court |
| West Bengal Tax on Entry of Goods into Local Areas Act, 2012 | Entry Tax | 107.51 | - | 2014-15 to 2017-18 | Supreme Court |
| Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007 | Entry Tax | 57.72 | 28.86 | 2001-2012 | Allahabad High Court |



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- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. The Company does not have any loans or borrowings and repayment to lenders during the year. Accordingly, the provision stated in paragraph 3(ix) (a) to (f) of the Order is not applicable to the Company.
- x.
- (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
- xi.
- (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv.
- (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports issued by internal auditors during our audit.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to Company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

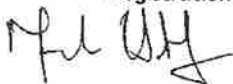


MSKA & Associates

Chartered Accountants

- xvi.
- (a) In our opinion, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph clause 3 xvi (d) of the order are not applicable to the Company.
- xvii. According to the information explanation provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred to the special account as on the date of our audit report. Accordingly, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Manish P Bathija
Partner
Membership No. 216706
UDIN: 22216706AIVAKD2031



Place: Gurugram
Date: May 12, 2022

MSKA & Associates

Chartered Accountants

The Palm Springs Plaza
Office No. 1501-B, 15th floor
Sector-54, Golf Course Road
Gurugram 122001, INDIA
Tel: +91 12 4281 9000

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Sheela Foam Limited on the Financial Statements for the year ended March 31, 2022]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

OPINION

We have audited the internal financial controls with reference to standalone financial statements of Sheela Foam Limited as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.



MSKA & Associates

Chartered Accountants

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Manish P Bathija
Partner
Membership No. 216706
UDIN: 22216706AIVAKD2031



Place: Gurugram
Date: May 12, 2022

Sheela Foam Limited
Standalone Balance Sheet as at March 31, 2022
 (in Indian Rupees (Lakhs), unless otherwise stated)

| Particulars | Note no. | As at March 31, 2022 | As at March 31, 2021 |
|--|----------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 23,501.54 | 25,385.39 |
| Capital work in progress | 3 | 63.78 | 117.06 |
| Right of use assets | 4 | 1,835.12 | 2,014.96 |
| Investment property | 5 | 382.70 | 384.44 |
| Investments in subsidiaries | 6 | 19,867.38 | 21,371.45 |
| Financial assets | | | |
| (i) Investment in preference shares | 7 | 2,990.00 | - |
| (ii) Other investments | 8 | 52,883.17 | 30,359.99 |
| (iii) Loans | 9 | 7,778.00 | 4,860.79 |
| (iv) Other financial assets | 10 | 1,802.46 | 212.75 |
| Non-current tax assets (net) | 11 | 445.33 | 32.41 |
| Other non-current assets | 12 | 260.02 | 264.38 |
| Total non-current assets | | 1,11,588.50 | 84,973.64 |
| Current assets | | | |
| Inventories | 13 | 20,346.61 | 22,831.92 |
| Financial assets | | | |
| (i) Investments | 14 | 8,398.45 | 10,600.33 |
| (ii) Trade receivables | 15 | 15,163.44 | 16,304.60 |
| (iii) Cash and cash equivalents | 16 | 1,431.36 | 3,503.54 |
| (iv) Other bank balances | 17 | 31.58 | 47.63 |
| (v) Loans | 18 | 555.07 | 555.24 |
| (vi) Other financial assets | 19 | 2,925.59 | 868.95 |
| Other current assets | 20 | 1,937.78 | 2,415.50 |
| Total current assets | | 50,789.88 | 57,127.71 |
| Total assets | | 1,62,378.38 | 1,42,101.35 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 21 | 2,439.14 | 2,439.14 |
| Other equity | 22 | 1,18,513.31 | 98,698.18 |
| Total equity | | 1,20,952.45 | 1,01,137.32 |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Lease liabilities | 23 | 1,826.72 | 190.69 |
| (ii) Other non-current financial liabilities | 24 | 5,034.08 | 5,018.13 |
| Long-term provisions | 25 | 1,408.32 | 462.13 |
| Other non-current liabilities | 26 | 22.70 | 25.54 |
| Deferred tax liabilities (net) | 27 | 482.45 | 828.98 |
| Total non-current liability | | 8,774.27 | 6,525.47 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Lease liabilities | 23 | 113.12 | 8.50 |
| (ii) Trade payables | | | |
| - Total outstanding dues of micro enterprises and small enterprises | 28 | 444.61 | 1,168.31 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 28 | 20,503.08 | 22,161.47 |
| (iii) Other financial liabilities | 29 | 4,130.88 | 3,811.53 |
| Short-term provisions | 25 | 247.66 | 435.21 |
| Other current liabilities | 30 | 7,213.31 | 6,653.54 |
| Total current liabilities | | 32,652.66 | 34,238.56 |
| Total liabilities | | 41,426.93 | 40,764.03 |
| Total equity and liabilities | | 1,62,378.38 | 1,42,101.35 |

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For **MSKA & ASSOCIATES**
 Chartered Accountants
 Firm Registration No.: 105047W

[Signature]

Manish P Bathija
 Partner
 Membership No.: 216706

Place: Gurugram
 Date: May 12, 2022



For and on behalf of the Board of Directors of
 Sheela Foam Limited
 CIN: L74899DL1971PLC005679

[Signature]

Rahul Gautam
 Managing Director
 DIN:00192899

Place: Noida
 Date: May 12, 2022

Tushar Gautam
 Whole Time Director
 DIN:01646487

Place: Noida
 Date: May 12, 2022

Nikhil Ghanashyam Datta
 Chief Financial Officer

Place: Noida
 Date: May 12, 2022

[Signature]

Md. Queebul Ahmad
 Company Secretary
 Membership No.: A20921

Place: Noida
 Date: May 12, 2022

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Sheela Foam Limited
 Standalone Statement of Profit and Loss for the year ended March 31, 2022
 (In Indian Rupees (Lakhs), unless otherwise stated)

| Particulars | Note no. | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|----------|--------------------------------------|--------------------------------------|
| Income | | | |
| Revenue from operations | 31 | 2,12,443.88 | 1,68,386.02 |
| Other income | 32 | 7,022.36 | 4,743.28 |
| Total Income | | 2,19,466.37 | 1,74,129.30 |
| Expenses | | | |
| Cost of materials consumed | 33 | 1,25,119.54 | 95,858.08 |
| Purchase of stock in trade | 34 | 5,331.06 | 1,799.48 |
| Other manufacturing expenses | 35 | 3,401.82 | 2,841.49 |
| Changes in inventories of finished goods, stock-in-trade and work in progress | 36 | (865.63) | (849.70) |
| Employee benefits expense | 37 | 13,188.01 | 11,972.11 |
| Finance costs | 38 | 710.95 | 868.03 |
| Depreciation and amortisation expense | 39 | 3,238.86 | 3,252.55 |
| Other expenses | 40 | 42,895.27 | 34,441.40 |
| Total Expenses | | 1,93,009.88 | 1,49,783.44 |
| Profit before tax | | 26,456.39 | 24,345.86 |
| Tax expense | 58 | | |
| Current tax | | 7,093.70 | 6,122.89 |
| Tax expenses related to earlier years | | (22.27) | (42.32) |
| Deferred tax (credit)/charge | 27 | (346.52) | 150.33 |
| Total tax expense | | 6,724.91 | 6,230.90 |
| Profit for the year | | 19,731.48 | 18,114.96 |
| Other comprehensive income | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| Remeasurements of the net defined benefit plans | | (479.40) | 180.45 |
| (ii) Items that will be reclassified to profit or loss | | | |
| Fair value gain on investments | | 323.91 | 100.06 |
| (iii) Income tax effect on these items on (i) & (ii) | | 39.13 | (70.60) |
| | | (116.36) | 209.91 |
| Total comprehensive income for the year | | 19,615.12 | 18,324.87 |
| Earnings per equity share | | | |
| Basic and diluted | 41 | 40.45 | 37.13 |

The accompanying notes are an integral part of these standalone financial statements.
 As per our report of even date

For MSKA & ASSOCIATES
 Chartered Accountants
 Firm Registration No.: 105047W



Manish P Bathija
 Partner
 Membership No.: 216706

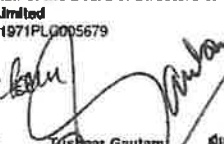
Place: Gurugram
 Date: May 12, 2022



For and on behalf of the Board of Directors of
 Sheela Foam Limited
 CIN: L74899DL1971PL0005679


 Rahul Gautam
 Managing Director
 DIN:00192999

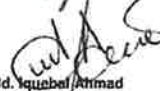
Place: Noida
 Date: May 12, 2022


 Jitbeer Gautam
 Whole Time Director
 DIN:01646487

Place: Noida
 Date: May 12, 2022


 Nikhil Ghanashyam Darye
 Chief Financial Officer

Place: Noida
 Date: May 12, 2022


 Md. Iqbal Ahmad
 Company Secretary
 Membership No.: A20921

Place: Noida
 Date: May 12, 2022

Sheela Foam Limited
Standalone Statement of Changes in Equity for the year ended March 31, 2022
 (In Indian Rupee (Lakhs), unless otherwise stated)

a. Equity share capital

| | Number of shares | Amount |
|-------------------------------------|--------------------|-----------------|
| Balance as at April 01, 2020 | 4,87,82,808 | 2,439.14 |
| Add: Issued during the year | - | - |
| Balance as at March 31, 2021 | 4,87,82,808 | 2,439.14 |
| Add: Issued during the year | - | - |
| Balance as at March 31, 2022 | 4,87,82,808 | 2,439.14 |

b. Other equity

| Particulars | Retained earnings | Capital reserve | General Reserve | Total |
|--|--------------------|-----------------|-----------------|--------------------|
| Balance as at April 01, 2020 | 78,528.47 | 328.57 | 1,716.27 | 80,573.31 |
| Profit for the year | 18,114.96 | - | - | 18,114.96 |
| Other Comprehensive Gain for the year (net of tax) | 209.91 | - | - | 209.91 |
| Total comprehensive Income for the year | 96,853.34 | 328.57 | 1,716.27 | 98,898.18 |
| Balance as at March 31, 2021 | 96,853.34 | 328.57 | 1,716.27 | 98,898.18 |
| Profit for the year | 19,731.48 | - | - | 19,731.48 |
| Other Comprehensive Gain for the year (net of tax) | (116.35) | - | - | (116.35) |
| Total comprehensive Income for the year | 19,615.13 | - | - | 19,615.13 |
| Balance as at March 31, 2022 | 1,16,468.47 | 328.57 | 1,716.27 | 1,18,513.31 |

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For MSKA & ASSOCIATES
 Chartered Accountants
 Firm Registration No.: 105047W



Mentah P Bathija
 Partner
 Membership No.: 216706

Place: Gurugram
 Date: May 12, 2022

For and on behalf of the Board of Directors of
 Sheela Foam Limited
 CIN: L74899DL1971PLC005579

Rahul Gautam
 Managing Director
 DIN:00192999

Place: Noida
 Date: May 12, 2022

Tushar Gautam
 Whole Time Director
 DIN:00646487

Place: Noida
 Date: May 12, 2022

Nikhil Ghanashyam Darye
 Chief Financial Officer

Place: Noida
 Date: May 12, 2022

Md. Quebal Ahmed
 Company Secretary
 Membership No.: A20921

Place: Noida
 Date: May 12, 2022

Sheela Foam Limited
 Standalone Statement of Cash Flows for the year ended March 31, 2022
 (In Indian Rupees (Lakhs), unless otherwise stated)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| A. Cash flow from operating activities | | |
| Profit for the year | 26,456.99 | 24,945.86 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 3,238.96 | 3,252.55 |
| Finance costs | 710.95 | 868.17 |
| Advances/Balances written off | - | 59.67 |
| Provision for doubtful receivables | - | (51.19) |
| Bad debts written off | - | 69.88 |
| Fair value gain on investments (net) | 382.97 | (366.51) |
| Profit on sale of investments (net) | (1,228.48) | (1,675.87) |
| Liabilities/provisions no longer required written back | (59.43) | (15.62) |
| Unrealised foreign exchange (Gain) /Loss (net) | (884.71) | (32.98) |
| Interest income | (3,960.33) | (1,665.78) |
| Assets written off | - | 13.26 |
| (Loss)/Profit on sale of property, plant and equipment (net) | (107.95) | 1.84 |
| Operating profit before working capital changes | 24,728.37 | 24,806.29 |
| Changes in working capital: | | |
| Decrease/(Increase) in inventories | 2,485.31 | (6,314.41) |
| Decrease/(Increase) in loans and trade receivables | 1,146.91 | (3,750.19) |
| (Increase)/Decrease in other financial and non-financial assets | (2,211.83) | 741.88 |
| (Decrease)/Increase in trade payables | (1,637.95) | 4,548.09 |
| Increase in lease liabilities, other financial liabilities, non-financial liabilities and provisions | 2,325.19 | 2,804.66 |
| Cash generated from operations | 26,835.99 | 23,030.31 |
| Income tax paid (net of refunds) | (7,032.31) | (5,219.18) |
| Net cash flow from operating activities (A) | 19,803.68 | 17,811.13 |
| B. Cash flow from investing activities | | |
| Towards property, plant and equipment including capital work in progress, Right of Use assets and Investment Property | (1,698.93) | (1,667.50) |
| Proceeds from Sales (Net of adjustment) of property, plant and equipment | 438.30 | 90.82 |
| Deposits matured/made during the year (net) | - | 3.44 |
| Investment in shares of Subsidiary Company | (1,285.34) | 1.02 |
| Investment in bonds, debentures and mutual funds (net) | (19,799.70) | (15,842.80) |
| Loans & advances given to Subsidiary Company | (2,922.79) | (96.48) |
| Repayment loans & advances by Subsidiary Company | - | 506.42 |
| Rental income finance lease | 72.00 | - |
| Interest income | 3,925.91 | 693.03 |
| Net cash flow used in investing activities (B) | (21,272.15) | (16,312.08) |
| C. Cash flow from financing activities | | |
| Repayment of unsecured short term borrowings | - | (2.45) |
| Payment of lease liabilities (principal and interest) | (195.32) | (38.77) |
| Finance costs | (408.39) | (843.76) |
| Net Cash outflow from Financing Activities (C) | (603.71) | (884.98) |
| Net (decrease)/increase in cash and cash equivalents (A+B+C) | (2,072.18) | 614.09 |
| Cash and cash equivalents at the beginning of the year | 3,503.54 | 2,889.45 |
| Cash and cash equivalents at the end of the year | 1,431.36 | 3,503.54 |

Notes:

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- Components of cash and cash equivalents:

| | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Cash and cash equivalents | | |
| Cash on hand | 15.85 | 11.81 |
| Deposits having original maturity of less than 3 months | 533.87 | 2,400.00 |
| Balance with banks in current accounts | 481.84 | 1,091.73 |
| Balance as per Statement of Cash Flows | 1,431.36 | 3,503.54 |

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For MSKA & ASSOCIATES
 Chartered Accountants
 Firm Registration No.: 105047W

Manish P Bathija
 Partner
 Membership No.: 216706

Place: Gurugram
 Date: May 12, 2022



For and on behalf of the Board of Directors of
 Sheela Foam Limited
 CIN: L74899DL1871PLC005679

Rahul Gautam
 Managing Director
 DIN:00192999

Place: Noida
 Date: May 12, 2022

Tushar Gautam
 Whole Time Director
 DIN:01846487

Place: Noida
 Date: May 12, 2022

Nikhil Ghanashyam Darye
 Chief Financial Officer

Place: Noida
 Date: May 12, 2022

Md. Iqbal Ahmad
 Company Secretary
 Membership No.: A20921
 Place: Noida
 Date: May 12, 2022

SHEELA FOAM LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2022

1. COMPANY INFORMATION

Sheela Foam Limited ('the Company') is a ISO 9001:2000 public limited company incorporated in India, with its registered office in New Delhi. The Company is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

The Company is pioneered in the manufacturing of polyurethane foams in India and has ten manufacturing facilities, using the state of the art technology at strategic locations across the country.

The standalone financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorized for issue on May 12, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance and Basis of Preparation

a. Basis of Preparation

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act. The standalone financial statements have been prepared on accrual and going concern basis. All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

The standalone financial statements have been prepared on a historical cost basis, except, certain financial assets and liabilities, measured at fair value (refer accounting policy regarding financial instruments).

b. Functional and presentation currency

The standalone financial statements are prepared in Indian Rupees ('Rs.'), which is the Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimal places, unless stated otherwise.

c. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it is

- expected to be realized, or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it is

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within 12 months after the reporting date; or



SHEELA FOAM LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2022

- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities:

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle:

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalent. The Company has identified twelve months as its operating cycle.

d. Use of estimates and judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure and the disclosure of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying standalone financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the standalone financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

These estimates and assumptions are based on the facts and events, that existed as at the date of Balance Sheet, or that occurred after that date but provide additional evidence about conditions existing as at the Balance Sheet date.

Refer below for detailed discussion on estimates and judgments:

i. Useful lives of Property Plant and Equipment

The Property, Plant and Equipment are depreciated on a pro-rata basis on written down value basis over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 2.2 below. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the financial position in future years.

ii. Retirement benefit obligation

The cost of retirement benefits and present value of the retirement benefit obligations in respect of Gratuity and Leave Encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, these retirement benefit obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long-term government bonds with extrapolated maturity corresponding to the expected duration of these obligations. The mortality rate is based on publically available mortality table for the specific countries. Future salary, seniority, promotion and other relevant factors and pension increases are based on expected future inflation on a long-term basis. Further details about the assumptions used, including a sensitivity analysis are given in Note 43.



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iii. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

iv. Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v. Impairment of Financial assets

The impairment provision of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vi. Impairment of Non-Financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

2.2 Property, Plant & Equipment

Property, Plant & Equipment are accounted for on historical cost basis (inclusive of the cost of installation and other incidental costs till commencement of commercial production) net of recoverable taxes, less accumulated depreciation and impairment loss, if any. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.



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Subsequent costs are added to the existing asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation on property, plant & equipment is provided on a pro-rata basis on written down value basis, over the useful life of the assets estimated by management, in the manner prescribed in Schedule II of the Companies Act, 2013. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. The asset's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The property, plant and equipment costing upto Rs.5,000/- are fully depreciated during the year of addition after retaining 5% as net residual value. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

| Asset | Useful life as per Schedule II of the Companies Act, 2013 (No. of Years) | Useful life as assessed / estimated by the Company (No. of Years) |
|----------------------------------|--|---|
| Building | | |
| - Factory (including roads) | 30 | 29 |
| - Office | 60 | 59 |
| - Residential | 60 | 59 |
| Plant & Equipment | 15 | 20 |
| Furniture & Fixtures | 10 | 15 |
| Vehicles | | |
| - Motor Cars | 8 | 10 |
| Office Equipment | 5 | 20 |
| Date Processing Equipment | | |
| - Computer Equipment | 3 | 6 |
| Electrical Fittings | 10 | 20 |

Based on usage pattern and internal assessment, management believes the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Cost of leasehold land is amortized over the period of lease. Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of assets.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.



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2.3 Investment Property

Property that is held for long- term rental yields or for capital appreciation or both and that is not occupied by the Company, is classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are added to the carrying amount only when it is probable that it will increase its useful life. All other repairs and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred. Though the Company measures investment property using cost based measurement, the fair value of the investment property is disclosed in the notes. Fair value is determined based on an annual evaluation performed by an accredited external independent valuer applying a recognized and recommended valuation model.

Depreciation on investment property, is provided on a pro-rata basis on a written down value basis, over the useful life of the property estimated by management, in the manner prescribed in Schedule II of the Act. The property's residual value, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The useful lives in the following cases are different from those prescribed in Schedule II of the Act:

| Asset | Useful life as per Schedule II of the Companies Act, 2013 (No. of Years) | Useful life as assessed / estimated by the Company (No. of Years) |
|--------------------|--|---|
| Buildings : | | |
| - Factory | 30 | 29 |
| - Office | 60 | 59 |
| - Residential | 60 | 59 |

Based on usage pattern and internal assessment, management believes the useful lives, as given above best, represent the period over which the management expects to use the properties. Hence the useful lives of these properties is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Investment property is derecognized when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss arising on de-recognition of the investment property is included in the Statement of Profit and Loss.

Transfers are made to/from investment property only when there is a change in its use. Transfers between investment property is made at the carrying amount of the property transferred.

2.4 Investment in Subsidiaries

Investments in subsidiaries are carried at cost, less accumulated impairment losses, if any. Where an indication of impairment exists the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

2.5 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



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(i) Financial Assets

(a) Initial recognition and measurement

At initial recognition, all financial assets are recognized at its fair value plus, in the case of a financial asset not carried at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(b) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- a. at amortized cost;
- b. at fair value through other comprehensive income (FVTOCI); and
- c. at fair value through profit and loss (FVTPL)

Where financial assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit and loss), or recognized in other comprehensive income (i.e. fair value through Other Comprehensive Income).

The classification of financial assets depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

(1) Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if both the following conditions are met:

- **Business Model Test:** The objective of the business model is to hold financial asset in order to collect contractual cash flows (rather than to sell the asset prior to its financial maturity to realize its fair value changes); and
- **Cash Flow Characteristics Test:** Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial asset are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to trade receivables, deposits with banks, security deposits, cash and cash equivalents, investments in securities and employee loans, etc.

(2) Financial instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- **Business Model Test:** The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and



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- Cash Flow Characteristics Test: The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Profit and Loss.

(3) Financial instruments measured at Fair Value Through Profit and Loss (FVTPL)

Fair Value through Profit and Loss is a residual category. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified as FVTPL. Financial instruments included in FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements i.e. gain or loss and interest income are recorded in Statement of Profit and Loss. This category comprises of investments in mutual funds and market linked debentures.

(c) Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial Assets measured at amortized cost;
- Financial Assets measured at FVTOCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Financial assets that are debt instruments, and are measured at amortized cost i.e. trade receivables, deposits with banks, security deposits, employee loans, etc.
- Financial assets that are debt instruments and are measured at FVTOCI.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The trade receivables are initially recognized at the sale/recoverable value and are assessed at each Balance Sheet date for collectability. Trade receivables are classified as current assets, if collection is expected within twelve months as at Balance Sheet date, if not, they are classified under non-current assets.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months (Expected Credit Loss) ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on timely basis.



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(d) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Balance Sheet) when:

- a. The rights to receive cash flows from the asset have been expired/transferred; or
- b. The Company retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, borrowings, security deposits and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in Other Comprehensive Income. These gains/ losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the Statement of other comprehensive income.

Borrowings & Security Deposits

Any difference between the proceeds (net of transaction costs) and the repayment amount is recognized in profit or loss over the period of the liability and subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR.

Financial Guarantee Contract



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Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Trade and other payables

Trade and other payables are obligations incurred by the Company towards purchase of raw material and other goods and availing the services that have been acquired or availed in the ordinary course of business. Trade and other payables are classified under current liabilities, if payment is due within 12 months as at Balance Sheet date, if not, they are classified under non-current liabilities.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(iii) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.6 Inventories

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, first-in-first-out cost method is used.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the first-in-first-out and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a first-in-first-out.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item-by-item basis.



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2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

2.8 Impairment of Non-Financial Assets

The Company assesses at each year end whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2.9 Provisions and Contingent Liabilities

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balances sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.



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2.10 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue from sale of goods is recognised when the control of the goods is transferred to the customer, which is generally on the delivery of the goods, the associated costs and the amount of revenue can be measured reliably and it is probable that the economic benefit associated with the transaction will flow to the Company. It is measured at fair value of the consideration received or receivable, after deduction of sales returns, trade discount, volume rebates, goods and service tax collected on behalf of the government and amount collected on behalf of its customers.

Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed. Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

In respect of above, the amounts received in advance are reflected in the Balance sheet under "Other Current and Non-current Liabilities" as "Contract Liabilities".

Other revenue streams:

Interest income on fixed deposits is recognized on time proportion basis taking into account the amount outstanding and applicable interest rates. Interest income is included under the head "other income" in the Statement of Profit and Loss.

Insurances claims are recognised to the extent the Company is reasonably certain of their ultimate receipt.

Dividend income on investments is recognized when the right to receive dividend is established if any.

Other income/revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and it can be reliably measured.

2.11 Government Grants / Subsidy

Government Grants are recognized when there is no significant uncertainty regarding the ultimate collection. Government grants of capital nature are credited to capital reserve. Other government grants of revenue nature including subsidies are credited to specific expense head in the Statement of Profit and Loss.

2.12 Employee Benefits

a. Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short-term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia, performance incentive/pay etc, are measured at the amounts expected to be paid when the



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liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b. Long Term Benefit

The employees of the Company are entitled to long service award (LSA), as retention earned leave, after completion of service of five years, which can be en-cashed or accumulated till retirement. The liability towards LSA is provided for on accrual basis as estimated by the management.

c. Post-Employment Benefits

i. Defined contribution plan:

The Company's approved provident fund scheme, employees' state insurance fund scheme and employees' pension scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognized during the year in which the employee renders the related service which is charged to the Statement of Profit and Loss.

ii. Employee's State Insurance Scheme:

Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

iii. Defined benefit plan

Gratuity: The company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise. Liability is funded through a separate Gratuity Trust. The short/ excess of gratuity liability as compared to the net fund held by the Gratuity Trust is accounted for as liability/ asset as at the Balance Sheet date.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under defined benefit plans can be encashed only on discontinuation of service by employee.

2.13 **Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right



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to use the asset or assets, for a period of time in exchange for consideration even if that right is not explicitly specified in an arrangement.

Company as a lessee

The group's lease asset classes primarily consist of leases for warehouse & facilities. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (i) the contract involves the use of an identified asset (ii) the company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Company as a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

2.14 Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency existing as at the balance sheet date are translated at the year end exchange rates. Exchange rate differences arising on settlement of transaction and translation of monetary items are recognized as income or expenses in the year in which they arise. The long term foreign currency monetary items are carried at the exchange rate prevailing on the date of initial transaction.

Non- monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of initial transactions.

2.15 Taxation

Tax expense for the year comprises of Current Tax and Deferred Tax are included in the determination of the net profit or loss for the year.

a. Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b. Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax



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bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2.16 Dividend Distribution:

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Company and is declared by the shareholders. A corresponding amount is recognized directly in the Equity.

2.17 Earnings per Share:

Basic earnings per share is calculated by dividing net profit/loss of the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding without a corresponding change in the resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.18 Statement of Cash flows:

For the purpose of Standalone Statement of Cash Flows, cash and cash equivalents comprise cash on hand, cash at banks, demand deposits, short-term deposits with an original maturity of three months or less and other short-term investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.19 Contributed Equity:

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.20 Standards (including amendments) issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2022



SHEELA FOAM LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2022

2.21 Standards that became effective during the year

The Company has applied certain amendments that became effective during the year which are discussed below:

a) Amendments to Ind AS consequential to Conceptual Framework under Ind AS

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS. includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments have no impact on the financial statements of the Company.

b) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments have no impact on the financial statements of the Company.

c) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

In the definition of "Recoverable amount" the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments have no impact on the financial statements of the Company.



Sheela Foam Limited
Notes forming part of the standalone financial statements
(in Indian Rupees (Lakhs), unless otherwise stated)

Note 3 : Property, plant and equipment

| Particulars | Land - freehold | Buildings (including Roads & Lanes) | Plant & Equipment | Furniture and fixtures | Vehicles | Office equipment | Electrical fittings | Total property, plant and equipment | Capital work in progress |
|----------------------------------|-----------------|-------------------------------------|-------------------|------------------------|----------|------------------|---------------------|-------------------------------------|--------------------------|
| At cost or deemed cost | | | | | | | | | |
| As at April 1, 2020 | 1,248.92 | 13,141.93 | 17,681.83 | 1,151.45 | 973.75 | 1,502.16 | 852.71 | 36,552.74 | 1,652.58 |
| Additions | 481.00 | 1,598.88 | 796.62 | 43.99 | 81.65 | 142.78 | 120.64 | 3,245.65 | 728.84 |
| Disposals/transfer | (10.90) | (40.39) | (104.55) | (1.35) | (65.42) | (12.59) | (12.90) | (248.12) | (2,264.36) |
| As at March 31, 2021 | 1,699.02 | 14,700.50 | 16,373.86 | 1,184.10 | 989.99 | 1,632.35 | 960.45 | 39,550.27 | 117.06 |
| Additions | - | 41.45 | 875.80 | 78.84 | 290.27 | 221.23 | 9.63 | 1,607.21 | 2,300.54 |
| Disposals/transfer* | - | (0.09) | (588.34) | (2.08) | (65.56) | (13.68) | (2.62) | (711.19) | (2,363.82) |
| As at March 31, 2022 | 1,699.02 | 14,732.85 | 15,751.32 | 1,270.85 | 1,184.68 | 1,839.90 | 987.46 | 40,446.30 | 63.78 |
| Accumulated depreciation | | | | | | | | | |
| As at April 1, 2020 | - | 3,415.18 | 6,014.45 | 357.15 | 413.55 | 583.82 | 351.46 | 11,136.64 | - |
| Depreciation charge for the year | - | 655.05 | 1,702.33 | 151.64 | 171.68 | 233.50 | 80.40 | 3,195.60 | - |
| Disposals/adjustments | - | (14.73) | (63.38) | (1.58) | (44.01) | (7.50) | (6.14) | (137.34) | - |
| As at March 31, 2021 | - | 4,257.50 | 7,653.41 | 507.21 | 541.22 | 809.81 | 425.74 | 14,194.89 | - |
| Depreciation charge for the year | - | 1,047.44 | 1,559.13 | 129.72 | 134.34 | 180.74 | 74.32 | 3,125.70 | - |
| Disposals/adjustments | - | (1.45) | (302.31) | (1.46) | (60.50) | (9.54) | (0.41) | (375.64) | - |
| As at March 31, 2022 | - | 5,203.49 | 8,910.23 | 635.47 | 615.00 | 980.91 | 489.65 | 16,944.76 | - |
| Net carrying amount | | | | | | | | | |
| As at March 31, 2021 | 1,699.02 | 10,443.00 | 10,720.45 | 656.88 | 448.78 | 822.54 | 534.70 | 25,355.39 | 117.06 |
| As at March 31, 2022 | 1,699.02 | 9,429.38 | 9,841.10 | 635.38 | 569.68 | 858.98 | 467.80 | 23,501.54 | 63.78 |

*Capital work in progress (Disposal) includes Rs. 1,819 lakhs (March 31, 2021: Nil) held to its wholly owned subsidiary International Comfort Technologies Private Limited.

Notes:

- a. Property, plant and equipment has been pledged as security amounting Rs.15,600 lakhs.
- b. Refer note 60 for disclosure of commitment for expenditure on account of acquisition of Property, plant and equipment.
- c. Capital Work-in-progress represents assets under construction & installation at various sites and ageing analysis is as below:

| CWIP | March 31, 2022 | | | March 31, 2021 | | | Total |
|---|------------------|-----------|-------------------|------------------|-----------|-------------------|--------|
| | Amount in CWIP | | | Amount in CWIP | | | |
| | Less than 1 year | 1-2 years | More than 3 years | Less than 1 year | 1-2 years | More than 3 years | |
| Projects in progress as at March 31, 2022 | 63.78 | - | - | 117.06 | - | - | 117.06 |
| Projects in progress as at March 31, 2021 | - | - | - | - | - | - | - |



Sheela Foam Limited
Notes forming part of the standalone financial statements
(In INR Lakhs, unless otherwise stated)

Note 4 : Right of use assets

| Particulars | Leasehold land | Buildings | Total |
|-------------------------------------|----------------|-----------|----------|
| Cost | | | |
| At April 1, 2020 | 2,046.03 | 114.77 | 2,160.80 |
| Additions | - | - | - |
| Disposal/Transfer | - | 82.80 | 82.80 |
| As at March 31, 2021 | 2,046.03 | 31.97 | 2,078.00 |
| Additions | 173.52 | 275.49 | 449.01 |
| Disposal/Transfer | 549.46 | - | 549.46 |
| As at March 31, 2022 | 1,670.09 | 307.46 | 1,977.55 |
| Depreciation | | | |
| At April 1, 2020 | 20.13 | 28.86 | 48.99 |
| Charge for the year | 21.53 | 15.05 | 36.58 |
| Disposals during the year | - | (22.56) | (22.56) |
| As at March 31, 2021 | 41.66 | 21.35 | 63.01 |
| Charge for the year | 19.51 | 72.01 | 91.52 |
| Disposals | 12.10 | - | 12.10 |
| As at March 31, 2022 | 49.07 | 93.36 | 142.43 |
| Net book value as at March 31, 2021 | 2,004.37 | 10.63 | 2,014.98 |
| Net book value as at March 31, 2022 | 1,621.02 | 214.10 | 1,835.12 |

Note 5 : Investment property

| Particulars | Leasehold land | Freehold land | Buildings | Total |
|-------------------------------------|----------------|---------------|-----------|--------|
| Cost | | | | |
| At April 1, 2020 | 88.47 | - | 385.48 | 453.95 |
| Additions | - | 10.90 | 46.82 | 57.72 |
| Disposal/Transfer | - | - | - | - |
| As at March 31, 2021 | 88.47 | 10.90 | 432.30 | 511.67 |
| Additions | - | - | - | - |
| Disposal/Transfer | - | - | - | - |
| As at March 31, 2022 | 88.47 | 10.90 | 432.30 | 511.67 |
| Depreciation | | | | |
| At April 1, 2020 | 3.64 | - | 85.21 | 88.85 |
| Transfer during the year | - | - | 18.01 | 18.01 |
| Charge for the year | 0.91 | - | 19.46 | 20.37 |
| Disposals during the year | - | - | - | - |
| As at March 31, 2021 | 4.55 | - | 122.68 | 127.23 |
| Charge for the year | 0.91 | - | 20.89 | 21.74 |
| Disposals | - | - | - | - |
| As at March 31, 2022 | 5.46 | - | 143.51 | 148.97 |
| Net book value as at March 31, 2021 | 83.92 | 10.90 | 309.62 | 384.44 |
| Net book value as at March 31, 2022 | 83.01 | 10.90 | 288.79 | 362.70 |

Notes:

- Refer 'Para- 2.3' of Significant Accounting Policies' for depreciation and measurement of investment property.
- The leasehold land has been amortised during the year by Rs. 0.91 lakhs (Previous Year : Rs. 0.91 lakhs) as per the accounting policy in terms of the Ind AS-40 on 'Investment Property'.
- Income from investment property

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Rental Income derived from investment property | 214.73 | 188.86 |
| Profit arising from investment property before depreciation | 214.73 | 188.86 |
| (Less): Depreciation for the year | (21.74) | (20.37) |
| Net Profit arising from investment property | 192.99 | 168.49 |

- The Company has obtained independent valuation for its investment properties at Rs.2,591.31 Lakhs as on 31st March 2022 and Rs. 1,946.90 as on March 31, 2021. These valuations are based on valuations performed by K.S. Agrawal Associates, an accredited independent valuer. K.S. Agrawal Associates is a specialist in valuing these types of investment properties and reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an asset of equivalent utility, depreciation and obsolescence. Fair market value is the amount expressed in terms of money that may reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that Company shall continue to operate and run the assets to have economic utility. The fair value is on 'as is where is' basis.
- There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements thereof and there are no restriction on remittance of income and proceeds of disposal.
- The investment properties which are leasehold properties, realisability of the same is subject to the terms and conditions under the respective lease agreements.
- The Company's Investment Properties are given an cancellable lease for a period 0-10 years.



Sheela Foam Limited
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Note 6 : Investments in subsidiaries

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|------------------|----------------------|------------------|
| | No. | Amount | No. | Amount |
| Investment in equity shares (Unquoted, at cost) (fully paid up) | | | | |
| Joyce Foam Pty. Limited of Aud \$ 10/- each | 6,58,500 | 2,306.59 | 6,58,500 | 2,306.59 |
| Divya Software Solutions (P) Ltd. of Rs. 10/- | 94,633 | 7,602.00 | 94,633 | 7,602.00 |
| Sleepwell Enterprises (P) Ltd. of Rs. 10/- each | 10,500 | 109.20 | 10,500 | 109.20 |
| International Foam Technologies SL, Spain of Euro 1/-each | 1,20,03,000 | 9,638.86 | 1,20,03,000 | 11,352.93 |
| Staqa World Pvt. Ltd of Rs. 10/- each | 10,000 | 0.73 | 10,000 | 0.73 |
| International comfort Technologies Private Limited of Rs. 10/- each | 1,00,000 | 10.00 | - | - |
| Total | 1,28,76,633 | 19,667.38 | 1,27,76,633 | 21,371.45 |
| Aggregate amount of Unquoted Investments | | 19,667.38 | | 21,371.45 |
| Aggregate amount of Impairment in value of investments | | - | | - |

Note 6.1 : information about subsidiaries

| Name of the Company and Country of Incorporation | Principal Activities | (% of Shareholding) | |
|---|--|---------------------|----------------|
| | | As at | As at |
| | | March 31, 2022 | March 31, 2021 |
| Joyce Foam Pty. Limited, Australia | Manufacturer of technical foam supplied to Business to Business customers (mattress and furniture manufacturers) | 100 | 100 |
| Divya Software Solutions (P) Ltd., India | Software development and related ancillary activities | 100 | 100 |
| Sleepwell Enterprises (P) Ltd., India | Providing of its Trademarks, Patents, Logos etc. and earning royalty thereon | 100 | 100 |
| International Foam Technologies SL, Spain | To invest in a Wholly Owned Subsidiary Company in Spain, engaged in manufacturing of Polyurethane Foam | 100 | 100 |
| Staqa World Pvt. Ltd., India | Information technology and related ancillary activities | 100 | 100 |
| International comfort Technologies Private Limited, India | Manufacturer of mattresses supplied to domestic & overseas customers | 100 | 100 |

Note 7 : Investments in preference shares

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|-----------------|----------------------|--------|
| | No. | Amount | No. | Amount |
| Investment in preference shares (Unquoted, at cost) (fully paid up) | | | | |
| International comfort Technologies Private Limited of Rs. 10/- each | 2,99,00,000 | 2,990.00 | - | - |
| | 2,99,00,000 | 2,990.00 | - | - |
| Aggregate amount of Unquoted Investments | | 2,990.00 | | - |
| Aggregate amount of Impairment in value of investments | | - | | - |



Sheela Foam Limited
Notes forming part of the standalone financial statements
(In Indian Rupees (Lakhs), unless otherwise stated)
Note 8 : Other Investments

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| In Bonds & Debentures - fully paid up | | |
| Carried at amortised cost - Unquoted | 0.35 | 0.35 |
| Carried at fair value through other comprehensive income - Quoted | 47,876.02 | 30,359.64 |
| Carried at fair value through Profit & Loss - Unquoted | 5,006.80 | - |
| Total Investments | 52,883.17 | 30,359.99 |
| Aggregate amount of Quoted Investments | 47,876.02 | 30,359.64 |
| Market value of Quoted Investments | 47,876.02 | 30,359.64 |
| Aggregate amount of Unquoted Investment | 5,007.15 | 0.35 |
| Aggregate amount of Impairment in value of Investments | - | - |

Note 9 : Loans

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--------------------------------------|-------------------------|-------------------------|
| (Unsecured, considered good) | | |
| Loans to employees | 7.60 | 13.18 |
| Loan to Subsidiaries (refer note 44) | 7,770.40 | 4,847.61 |
| Total | 7,778.00 | 4,860.79 |

Note 10 : Other financial assets

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------------|-------------------------|-------------------------|
| (Unsecured, considered good) | | |
| Security deposits | 371.90 | 206.96 |
| Deposits with Banks: | | |
| - held as margin money | 1.34 | 1.34 |
| - others | - | 3.41 |
| Interest accrued but not due on | - | 1.04 |
| Lease receivable (refer note 45B) | 1,429.22 | - |
| Total | 1,802.46 | 212.75 |

Note 11 : Non current tax assets (net)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Advance income tax (net of provision of Rs.24,690.64 lacs & (March 31,2021 Rs. 24,207.35 lacs)) | 445.33 | 32.41 |
| Total | 445.33 | 32.41 |



Sheela Foam Limited
Notes forming part of the standalone financial statements
(in Indian Rupees (Lakhs), unless otherwise stated)
Note 12 : Other non current assets

| Particulars | As at | As at |
|-------------------------------------|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| (Unsecured, considered good) | | |
| Capital advances* | 181.20 | 225.12 |
| Prepaid rent | 38.82 | 39.26 |
| Loan & advances | 40.00 | - |
| Total | 260.02 | 264.38 |

*Value of Contracts in capital account remaining to be executed (refer note 50)

Note 13 : Inventories

| Particulars | As at | As at |
|---|------------------|------------------|
| | March 31, 2022 | March 31, 2021 |
| (Valued at lower of cost and net realizable value unless otherwise stated) | | |
| Raw material | 8,999.79 | 11,230.50 |
| Raw Material (in Transit) | 2,702.45 | 3,786.44 |
| Work-in-progress | 4,912.92 | 5,122.10 |
| Finished goods | 1,281.82 | 1,075.13 |
| Stock-in-trade | 840.21 | 138.23 |
| Packing Material | 726.38 | 633.94 |
| Packing Material (In Transit) | 54.88 | 14.30 |
| Stores and spares | 797.06 | 694.86 |
| Stores & spares (In Transit) | 31.10 | 135.30 |
| Total | 20,348.61 | 22,831.92 |

Inventories held by Company are subject to hypothecation by bankers towards working capital limits obtained by the Company.

Note 14 : Investments

| Particulars | As at | As at |
|---|-----------------|------------------|
| | March 31, 2022 | March 31, 2021 |
| In Bonds & Debentures - fully paid up | | |
| Carried at fair value through profit and loss- Quoted | - | 1,308.06 |
| Carried at fair value through other comprehensive income - Quoted | - | 3,212.45 |
| In Mutual Funds - fully paid up | | |
| Carried at fair value through profit and loss- Quoted | 8,398.45 | 6,079.82 |
| Total Investments | 8,398.45 | 10,600.33 |
| Aggregate amount of Quoted Investments | 8,398.45 | 10,600.33 |
| Aggregate market value of Quoted Investments | 8,398.45 | 10,600.33 |
| Aggregate amount of Unquoted investment | - | - |
| Aggregate amount of impairment in value of investment | - | - |



Sheela Foam Limited
Notes forming part of the standalone financial statements
(in Indian Rupees (Lakhs), unless otherwise stated)
Nota 15 : Trade receivables

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| (At amortised cost) | | |
| Unsecured | | |
| Trade receivables - considered good (Refer note below) | 15,163.44 | 16,304.60 |
| Trade receivables - considered doubtful | 58.97 | 58.97 |
| Trade receivables (gross) | 15,222.41 | 16,363.57 |
| Less: Impairment allowance for trade receivables considered doubtful | (58.97) | (58.97) |
| Total | 15,163.44 | 16,304.60 |
| Further classified as | | |
| Receivable from related parties (refer note 44) | 198.61 | 144.79 |
| Receivable from others | 14,964.83 | 16,159.81 |
| | 15,163.44 | 16,304.60 |

Note :

- a. No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.
- b. Trade receivables are usually non-interest bearing and are on trade terms of 0 - 60 days.
- c. The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables. The Company tracks changes in expected credit loss on trade receivables based on overdue outstanding exposure, expected default rate and basis exposure is secured/unsecured. ECL impairment loss allowance (or reversal) recognised during the year is recognised in the Statement of Profit and Loss.

Movement in the expected credit loss allowance

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Balance at the beginning of the year | 58.97 | 110.16 |
| Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses | - | (51.19) |
| Balance at the end of the year | 58.97 | 58.97 |

- e. Refer note 48 for information about credit and market risk of trade receivables.
- f. Realization from trade receivables held by company are subject to hypothecation by bankers towards working capital limits obtained by the company.
- g. Below is the ageing analysis of trade receivables

As on March 31, 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|--------------------|-------------------|--------------|--------------|-------------------|------------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | more than 3 years | |
| (i) Undisputed trade receivables - considered good | 7,702.42 | 7,352.16 | 67.32 | 6.92 | 2.97 | 28.86 | 15,160.65 |
| - which have significant increase in credit | - | - | - | - | - | - | - |
| (ii) Disputed trade receivables - considered good | - | - | - | 2.80 | - | - | 2.80 |
| - which have significant increase in credit | - | 7.94 | 1.35 | 5.35 | 33.25 | 11.06 | 58.97 |
| Total | 7,702.42 | 7,360.09 | 68.67 | 15.07 | 36.22 | 39.94 | 15,222.41 |

As on March 31, 2021

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|--------------------|-------------------|---------------|--------------|-------------------|------------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | more than 3 years | |
| (i) Undisputed trade receivables - considered good | 10,712.10 | 5,382.92 | 44.59 | 63.26 | 45.58 | - | 16,248.45 |
| - which have significant increase in credit | - | - | - | - | - | - | - |
| (iii) Disputed trade receivables - considered good | - | - | - | 45.03 | 11.12 | - | 56.15 |
| - which have significant increase in credit | - | 34.90 | 0.22 | - | 23.85 | - | 58.97 |
| Total | 10,712.10 | 5,417.83 | 44.81 | 108.29 | 80.55 | - | 16,363.57 |



Sheela Foam Limited
Notes forming part of the standalone financial statements
(in Indian Rupees (Lakhs), unless otherwise stated)

Note 16 : Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Balance Sheet as follows:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Balance with banks : | | |
| Current accounts | 481.84 | 1,091.73 |
| Fixed deposits account with an original maturity of less than three months | 933.87 | 2,400.00 |
| Cash on hand | 15.65 | 11.81 |
| Total | 1,431.36 | 3,503.54 |

Note:

- a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior year.
b) Cash balances with bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of one to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Note 17 : Other bank balances

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Deposits having original maturity more than 3 months but less than 12 months: | 31.58 | 47.63 |
| Total | 31.58 | 47.63 |

Note:

Other bank balances represents fixed deposits invested with banks.

Note 18 : Loans

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|------------------------------|-------------------------|-------------------------|
| (Unsecured, considered good) | | |
| Loans to employees | 95.07 | 55.24 |
| Inter-corporate deposits | 500.00 | 500.00 |
| Total | 595.07 | 555.24 |

Note 19 : Other current financial assets

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Unsecured, considered good | | |
| Interest accrued but not due on deposits with Banks, bonds and debentures | 1,863.16 | 686.78 |
| Interest accrued on loan given to subsidiary company (Refer note 44) | 83.27 | 125.26 |
| Insurance claim receivable | 0.11 | - |
| Lease receivable (refer note 45B) | 212.51 | - |
| Other loans & advances (refer note below) | 646.54 | 56.91 |
| Total | 2,925.59 | 868.96 |

Note:

- a. Other loans & advances comprise of advances to staff for expenses and advances to other parties etc.

Note 20 : Other current assets

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Advance to contractors/suppliers | 651.67 | 971.43 |
| Balances with Statutory/Government authorities: | | |
| - Excise & Custom | 18.24 | 2.85 |
| - GST | 213.41 | 4.37 |
| - VAT/Sales Tax | 486.14 | 478.85 |
| GST refund receivable | - | 550.33 |
| Prepaid expenses | 322.32 | 299.99 |
| Lease equalisation | 66.33 | 62.73 |
| Income tax refund | 15.33 | 15.33 |
| Employee benefit assets (Refer note 43) | - | 29.52 |
| Right to recover return goods* | 186.14 | - |
| Total | 1,837.78 | 2,415.50 |

*- In certain cases, the Company provides its customers right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, the Company recognises Liability for expected sales return, a receivables on expected sales return (and corresponding adjustment to change in inventory is also recognised for the receivables on expected sales return from a customer).



Notes forming part of the standalone financial statements
(In Indian Rupees (Lakhs), unless otherwise stated)

Note 21 : Equity share capital

| Particulars | As at | |
|---|-----------------|-----------------|
| | March 31, 2022 | March 31, 2021 |
| (a) Authorised share capital: 8,90,21,000 fully paid equity shares of Rs. 5 each (March 31, 2021 : 8,90,21,000 fully paid equity shares of Rs. 5 each) | 4,401.05 | 4,401.05 |
| | <u>4,401.05</u> | <u>4,401.05</u> |
| Issued, subscribed & paid up share capital: 4,87,82,808 fully paid equity shares of Rs. 5 each (March 31, 2021 : 4,87,82,808 equity shares of Rs. 5 each) | 2,439.14 | 2,439.14 |
| Total | <u>2,439.14</u> | <u>2,439.14</u> |

(b) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

| | As at | | As at | |
|---|--------------------|-----------------|--------------------|-----------------|
| | March 31, 2022 | | March 31, 2021 | |
| | Number of shares | Amount | Number of shares | Amount |
| At the beginning of the year | 4,87,82,808 | 2,439.14 | 4,87,82,808 | 2,439.14 |
| Issued during the year | - | - | - | - |
| Outstanding at the end of the year | <u>4,87,82,808</u> | <u>2,439.14</u> | <u>4,87,82,808</u> | <u>2,439.14</u> |

(c) Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 5/- per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity Shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

(d) Details of shareholders holding more than 5% shares in the Company

| | As at | | As at | |
|---------------------------------|----------------|--------------|----------------|--------------|
| | March 31, 2022 | | March 31, 2021 | |
| | Number | % of holding | Number | % of holding |
| Sh. Rahul Gautam | 62,09,485 | 12.73% | 62,09,485 | 12.73% |
| Smt. Namita Gautam | 57,15,879 | 11.72% | 57,15,879 | 11.72% |
| Sh. Tushaar Gautam | 1,70,86,314 | 35.03% | 1,70,86,314 | 35.03% |
| Rangoli Resorts Private Limited | 65,63,391 | 13.45% | 65,63,391 | 13.45% |
| SBI Magnum Midcap Fund | 43,84,301 | 8.99% | 43,56,390 | 8.93% |
| DSP Midcap Fund | 24,38,196 | 5.00% | 28,55,425 | 5.85% |
| Kotak Emerging Equity Scheme | 30,84,942 | 6.32% | 27,73,731 | 5.69% |

Note: As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(e) Aggregate number and class of shares allotted as fully paid up by way of bonus shares

During 2016-17, 1,62,60,936 fully paid up equity shares of Rs. 5/- each, were allotted by way of bonus shares to all the shareholders in the ratio of 1:2.

(f) Shareholding of promoters & promoter group

| Shares held by promoters at the end of the year | As at | | As at | |
|---|----------------|---------------|----------------|---------------|
| | March 31, 2022 | | March 31, 2021 | |
| Promotor name | Number | % of holding | Number | % of holding |
| Sh. Rahul Gautam | 62,09,485 | 12.73% | 62,09,485 | 12.73% |
| Smt. Namita Gautam | 57,15,879 | 11.72% | 57,15,879 | 11.72% |
| Sh. Tushaar Gautam | 1,70,86,314 | 35.03% | 1,70,86,314 | 35.03% |
| Rangoli Resorts Private Limited | 65,63,391 | 13.45% | 65,63,391 | 13.45% |
| Care Mouldings Private Limited | 12,018 | 0.02% | 12,018 | 0.02% |
| Total | | <u>72.95%</u> | | <u>72.95%</u> |

(g) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.



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Note 22 : Other equity

| Particulars | As at | As at |
|--------------------------------------|--------------------|------------------|
| | March 31, 2022 | March 31, 2021 |
| Capital reserve (Refer note a below) | 328.57 | 328.57 |
| General reserve (Refer note b below) | 1,718.27 | 1,716.27 |
| Retained earnings | 1,16,468.47 | 96,853.34 |
| Total | 1,18,513.31 | 98,898.18 |

| Particulars | As at | As at |
|--|--------------------|------------------|
| | March 31, 2022 | March 31, 2021 |
| Retained earnings | | |
| Opening balance | 96,853.34 | 78,528.47 |
| Net profit for the year | 19,731.48 | 18,114.96 |
| Remeasurements of the net defined benefit plans (net of tax) | (358.74) | 135.03 |
| Fair value gain on investments (net of tax) | 242.39 | 74.88 |
| Closing balance | 1,16,468.47 | 96,853.34 |

Note:

(a) Capital reserve

During amalgamation of the subsidiaries in the year 2012-13, the excess of net assets taken, over the cost of consideration paid was treated as capital reserve.

(b) General reserve

The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956

Note 23 : Lease liability

| Particulars | As at | As at |
|----------------------------------|-----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Lease liability (refer note 45A) | 1,939.04 | 199.19 |
| Total | 1,939.04 | 199.19 |
| Current | 113.12 | 8.50 |
| Non current | 1,826.72 | 190.69 |

Note 24 : Other non current financial liabilities

| Particulars | As at | As at |
|---|-----------------|-----------------|
| | March 31, 2022 | March 31, 2021 |
| Deposits from dealers and others | 4,941.19 | 4,449.92 |
| Unearned Interest Income on deposits from dealers | 66.00 | 521.45 |
| Unearned Rent Income | 28.89 | 46.76 |
| Total | 5,034.08 | 5,018.13 |

Note 25 : Provisions

| Particulars | As at | As at |
|--|-----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Long term provisions: | | |
| Provision for employee benefits: | | |
| -Compensated absences | 364.26 | 266.89 |
| -Gratuity | 603.04 | - |
| Other provisions: | | |
| -Provision for warranty (Refer note below) | 441.02 | 195.24 |
| Total (A) | 1,408.32 | 462.13 |
| Short term provisions: | | |
| Provision for employee benefits: | | |
| -Compensated absences | 9.35 | 8.38 |
| Other provisions: | | |
| -Provision for warranty (Refer note below) | 238.31 | 426.83 |
| Total (B) | 247.66 | 435.21 |
| Grand total (A+B) | 1,655.98 | 897.34 |



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Note:
Provision for warranty:

Provision is recognised for expected warranty claims on mattresses sold, based on past experience of the level of returns and in accordance with the Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets". Assumptions used for the said provision are sales return trend based on past warranty sales. The table below gives information about movement in warranty provision:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|------------------------------|-------------------------|-------------------------|
| At the beginning of the year | 622.07 | 631.31 |
| Created during the year | 963.10 | 498.57 |
| Utilised during the year | 925.84 | 507.81 |
| At the end of the year | 679.33 | 622.07 |

Note 26 : Other non current liabilities

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------|-------------------------|-------------------------|
| Deferred capital grant income | 22.70 | 25.54 |
| Total | 22.70 | 25.54 |

Note 27 : Deferred tax liabilities (net)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--------------------------------|-------------------------|-------------------------|
| Deferred tax liabilities (net) | 482.45 | 828.96 |
| Total | 482.45 | 828.96 |

Movement of deferred tax (assets)/liabilities

| Particulars | Opening balance | Recognised in profit or loss account | Closing balance |
|---|-----------------|--|--------------------|
| Deferred tax (assets)/ liabilities in relation to | | | |
| As at March 31, 2022 | | | |
| Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting purposes. | 796.34 | (479.71) | 316.63 |
| Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis | (32.60) | (258.42) | (291.02) |
| Fair value gain/(loss) on financial instruments at fair value through statement of profit or loss (Net) | 69.24 | (6.76) | 62.48 |
| Lease liabilities (net) | (4.00) | 391.94 | 387.94 |
| Others | - | 6.43 | 6.43 |
| Total | 828.98 | (346.52) | 482.46 |
| As at March 31, 2021 | | | |
| Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting purposes. | 852.92 | (56.56) | 796.34 |
| Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis | (244.13) | 211.53 | (32.60) |
| Fair value gain/(loss) on financial instruments at fair value through statement of profit or loss (Net) | 75.20 | (5.96) | 69.24 |
| Lease liabilities (net) | (5.34) | 1.34 | (4.00) |
| Total | 678.65 | 150.33 | 828.98 |

Note 28 : Trade payables

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Trade payables other than acceptances: | | |
| (i) Total outstanding dues of micro enterprises and small enterprises (refer note 55) | 444.61 | 1,168.31 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 20,509.08 | 22,161.47 |
| Total | 20,947.88 | 23,329.78 |

Note:

- a. Trade payables due to related parties are disclosed in note no. 44.
b. Trade payables are non interest bearing and are normally settled on 60 days to 90 days credit terms.

c. Ageing Analysis for Trade payables

As on March 31, 2022



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| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|------------------|------------------|-------------|-------------|-------------------|------------------|
| | Unbilled Dues | Payables not due | Less than 1 Year | 1-2 years | 2-3 years | more than 3 years | |
| (i) MSME | - | 444.61 | - | - | - | - | 444.61 |
| (ii) Others | 4,891.36 | 15,577.11 | 30.45 | 0.68 | 3.49 | - | 20,503.09 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total | 4,891.36 | 16,021.72 | 30.45 | 0.68 | 3.49 | - | 20,947.69 |

As on March 31, 2021

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|------------------|------------------|--------------|-----------|-------------------|------------------|
| | Unbilled Dues | Payables not due | Less than 1 year | 1-2 years | 2-3 years | more than 3 years | |
| (i) MSME | - | 1,168.31 | - | - | - | - | 1,168.31 |
| (ii) Others | 5,401.57 | 16,720.80 | 18.36 | 20.74 | - | - | 22,161.47 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total | 5,401.57 | 17,889.11 | 18.36 | 20.74 | - | - | 23,329.78 |

Note 29 : Other current financial liabilities

| Particulars | As at | As at |
|---|-----------------|-----------------|
| | March 31, 2022 | March 31, 2021 |
| Creditors for capital goods | 63.28 | 258.21 |
| Deposits from dealers and others | 3,995.74 | 3,400.95 |
| Unearned Interest Income on deposits from dealers | 63.99 | 142.85 |
| Unearned Rent Income | 6.87 | 9.52 |
| Total | 4,130.88 | 3,811.53 |

Note 30 : Other current liabilities

| Particulars | As at | As at |
|-------------------------------|-----------------|-----------------|
| | March 31, 2022 | March 31, 2021 |
| Refund liabilities | 265.82 | - |
| Deferred capital grant income | 2.82 | 2.83 |
| Contract Liabilities* | 5,576.16 | 5,246.28 |
| Statutory dues payable | 1,368.51 | 1,404.43 |
| Total | 7,213.31 | 6,653.54 |

*Consist of advances received from customers towards supply of products.



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Note 31 : Revenue from operations

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Sale of products (refer note below) | 2,11,650.38 | 1,88,789.15 |
| Sale of services | 605.13 | 436.95 |
| | <u>2,12,255.51</u> | <u>1,69,226.10</u> |
| Other operating revenue | | |
| -Job Work Services | 4.25 | - |
| -Roadiep incentive scheme | 9.11 | - |
| -Income from sale of process scrap | 175.12 | 159.92 |
| Total | <u>2,12,443.99</u> | <u>1,69,386.02</u> |

Note:

a. Includes sale of finished goods and semi-finished goods and services to related parties (Refer note 44).

Note 31.1 : Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Geographical Revenue | | |
| Type of goods | | |
| Revenue from external customers | 2,11,650.38 | 1,68,789.15 |
| Total revenue from contracts with customers | | |
| India | 2,07,065.02 | 1,67,120.19 |
| Outside India | 4,585.36 | 1,668.96 |
| | <u>2,11,650.38</u> | <u>1,68,789.15</u> |
| Type of services (IT Support Services) | | |
| Revenue from external customers | 605.13 | 436.95 |
| Total revenue from contracts with customers | | |
| India | 179.45 | 17.76 |
| Outside India | 425.68 | 419.19 |
| | <u>605.13</u> | <u>436.95</u> |
| Total revenue from contracts with customers | <u>2,12,255.51</u> | <u>1,69,226.10</u> |

Note 31.2 : Contract liabilities : Movement in contract liabilities during the year

| Particulars | For the year ended March 31, 2022 |
|--|--------------------------------------|
| Opening Balances | 5,246.26 |
| Less: Revenue recognised during the year | 73,702.14 |
| Add: Amount of consideration received during the year (net of adjustments) | 74,032.03 |
| Closing Balances | <u>5,576.17</u> |

Note:

a. Contract liabilities consist of advances received from customers towards supply of products

Note 31.3 : Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Revenue as per contracted price (goods and services) | 2,17,616.54 | 1,74,484.66 |
| Less: Adjustments | | |
| Sales return | 1,260.72 | 1,816.42 |
| Rebate and discount | 4,100.31 | 3,442.14 |
| Revenue from contracts with customers | <u>2,12,255.51</u> | <u>1,69,226.10</u> |

Note 31.4 : Performance obligations

The performance obligation for sale of product is satisfied upon on dispatch and payment is generally due within 0 to 45 days from delivery.
The performance obligation for sale of services is satisfied over the period of time as per contract with customers



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Note 32 : Other Income

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Interest income from: | | |
| Bank deposits | 7.33 | 20.31 |
| Bonds | 3,713.11 | 1,041.83 |
| Loan given to subsidiary companies (refer note 44) | 170.42 | 296.80 |
| Inter corporate deposit | 45.00 | 45.00 |
| Others | 44.46 | 264.94 |
| Guarantee commission (refer note 44) | 107.17 | - |
| Rental income (refer note below) | 239.21 | 219.86 |
| Gain on sale/disposal of fixed assets | 107.95 | - |
| Liabilities/provisions no longer required written back | 59.43 | 15.62 |
| Income from sale of Investments (Mutual funds & Bonds) | 1,228.48 | 1,675.87 |
| Fair valuation adjustments of Investments designated as FVTPL (refer note b) | - | 366.51 |
| Investment Subsidy received | 2.84 | 2.83 |
| Sale of non-process scrap | 572.20 | 378.22 |
| Net gain on foreign currency transactions and translations | 684.71 | 392.54 |
| Other miscellaneous income | 40.07 | 23.05 |
| Total | 7,022.38 | 4,743.26 |

Note:

- a. Includes rental income of Rs.214.73 lakhs (March 31,2021: Rs.188.86 lakhs) from investment property (refer note 5).
b. FVTPL of Investments represent fair valuation changes in mutual funds which includes dividend declared and not distributed (distributed based on record dates) as at reporting dates which have not been recognised in financial statements.

Note 33 : Cost of materials consumed

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Raw material | | |
| Opening inventory | 15,016.93 | 6,967.14 |
| Add: Purchases | 1,18,759.23 | 1,00,118.53 |
| Less: Sales/adjustments | 4,445.35 | 3,520.03 |
| Less: Closing inventory (including goods in transit of Rs. 2,702.45 lakhs (March 31, 2021: Rs 3,786.44 lakhs)) | 11,702.24 | 15,016.93 |
| Raw material consumed | 1,17,628.56 | 88,588.71 |
| Packing Material | | |
| Opening inventory | 648.24 | 572.55 |
| Add: Purchases | 8,389.09 | 7,732.55 |
| Less: Sales/adjustments | 785.08 | 567.49 |
| Less: Closing inventory (including goods in transit of Rs. 54.86 lakhs (March 31, 2021: Rs 14.30 lakhs)) | 781.26 | 648.24 |
| Packing material consumed | 7,490.98 | 7,089.37 |
| Cost of material consumed | 1,25,119.54 | 95,658.08 |

Note 34 : Purchase of stock in trade

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Traded Goods -Bed sheets/corn/corters/PU foam/spring/coir mattresses | 5,331.08 | 1,799.48 |
| Total | 5,331.06 | 1,799.48 |

Note 35 : Other manufacturing expenses

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|------------------------------|--------------------------------------|--------------------------------------|
| Power and fuel | 755.30 | 650.53 |
| Repair and maintenance: | | |
| - Buildings | 119.29 | 188.67 |
| - Plant and equipment | 906.46 | 775.47 |
| Processing and other charges | 1,620.77 | 1,046.82 |
| Total | 3,401.82 | 2,641.49 |



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Note 36 : Changes in inventories of finished goods, Stock in Trade and work in progress

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Closing stock: | | |
| Finished goods | 1,281.82 | 1,075.13 |
| Stock in trade | 840.21 | 138.23 |
| Work-in-progress | 4,912.92 | 5,122.10 |
| Right to recover return goods | 166.14 | - |
| | <u>7,201.08</u> | <u>6,335.46</u> |
| Opening stock: | | |
| Finished goods | 1,075.13 | 1,175.41 |
| Stock in trade | 138.23 | 710.34 |
| Work-in-progress | 5,122.10 | 3,600.01 |
| Right to recover return goods | - | - |
| | <u>6,335.46</u> | <u>5,485.76</u> |
| Changes in inventories of finished goods, Stock in Trade and work in progress | (865.63) | (849.70) |

Note 37 : Employee benefits expense

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Salaries, wages, allowance, and other benefits | 11,275.92 | 10,257.99 |
| Contribution to gratuity (refer note 43) | 167.29 | 212.37 |
| Contribution to provident and other funds | 654.37 | 614.99 |
| Workmen and staff welfare | 1,090.43 | 886.76 |
| Total | <u>13,188.01</u> | <u>11,972.11</u> |

Note 38 : Finance costs

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--------------------------|--------------------------------------|--------------------------------------|
| Interest expense: | | |
| - Security deposits | 523.08 | 754.33 |
| -On lease liabilities | 112.83 | 28.00 |
| -Others | 50.77 | 74.39 |
| Bank Charges | 24.29 | 11.31 |
| Total | <u>710.95</u> | <u>868.03</u> |

Note 39 : Depreciation and amortisation expense

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Depreciation of property, plant and equipment (Refer Note 3) | 3,125.70 | 3,195.80 |
| Depreciation on right-of-use assets (Refer Note 4) | 91.52 | 38.58 |
| Depreciation on investment property (Refer note 5) | 21.74 | 20.37 |
| Total | <u>3,238.96</u> | <u>3,252.55</u> |

Note 40 : Other expenses

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| IT Support services | 1,320.00 | 1,170.00 |
| Bad debts | - | 18.89 |
| Advances/Balances written off | 34.18 | 59.87 |
| Freight and forwarding | 8,203.50 | 8,038.23 |
| Rent and hire | 151.30 | 150.04 |
| Insurance | 463.81 | 412.76 |
| Rates and taxes | 32.03 | 32.88 |
| Legal and professional | 657.30 | 488.22 |
| Other Maintenance | 975.65 | 738.26 |
| Investment written off | - | 1.02 |
| Selling and promotion | 19,031.77 | 15,443.62 |
| Travelling and conveyance | 861.44 | 685.31 |
| Loss on sale/disposal of fixed assets | 5.11 | 1.84 |
| Warranty | 983.10 | 498.57 |
| Advertisement | 6,379.10 | 4,536.31 |
| Property, Plant & Equipment written off | - | 13.28 |
| Contributions towards CSR (refer note 56) | 457.53 | 489.55 |
| Fair value loss for Investments designated as FVTPL | 382.97 | - |
| Miscellaneous | 1,948.48 | 1,662.17 |
| Total | <u>42,885.27</u> | <u>34,441.40</u> |



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Note 40.1 : Auditor's remuneration included in legal and professional charges (excluding GST)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Statutory audit (including limited review)* | 36.00 | 28.04 |
| Certification* | 2.00 | 3.54 |
| Out of pocket expenses* | 1.00 | 0.75 |
| Total | 39.00 | 33.33 |

Includes Rs. 5.43 lakhs (Previous Year: Rs.33.33 lakhs) paid to erstwhile auditors.

Note 41. Earnings per share

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Profit for the year attributable to Equity shareholders | 19,731.48 | 18,114.96 |
| Earnings used in the calculation of basic earnings per share | 19,731.48 | 18,114.96 |
| Earnings used in the calculation of diluted earnings per share | 19,731.48 | 18,114.96 |

| Particulars | For the year ended March 31, 2022 (Numbers in lakhs) | For the year ended March 31, 2021 (Numbers in lakhs) |
|---|--|--|
| Weighted average number of equity shares for the purposes of basic and diluted earnings per share | 487.83 | 487.83 |

| Particulars | For the year ended March 31, 2022 (Rs. per share) | For the year ended March 31, 2021 (Rs. per share) |
|--------------------------------------|---|---|
| Basic and diluted earnings per share | 40.45 | 37.13 |



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Note 42 : There are no title deeds of Immovable Properties, which not held in name of the Company.

Note 43 : Employee benefits

A. Defined contribution plans

Company's employees are covered by Provident Fund and Employees State Insurance Scheme/Fund and National Pension Scheme, to which the Company makes a defined contribution measured as a fixed percentage of salary. During the year, amount of Rs. 654.37 lakhs (Previous Year: Rs. 614.99 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Employer's contribution towards Provident Fund(PF) | 564.52 | 529.84 |
| Employer's contribution towards Employees State Insurance (ESI) | 55.03 | 53.43 |
| Employer's contribution towards National Pension Scheme (NPS) | 34.82 | 31.72 |
| Total (Refer Note 37) | 654.37 | 614.99 |

B. Long Term Benefit

Long service award

Payable to the eligible employees as retention earned leave, after completion of service of five years, which can be on-cashed or accumulated till retirement. During the year an amount of Rs.146.01 lakhs (Previous Year: Rs. 121.89 lakhs) has been charged to the Statement of Profit and Loss towards the said benefit.

C. Defined benefit plans

Gratuity

The employees' gratuity fund scheme, which is a defined benefit plan, is managed by a trust with effect from 2019 is being maintained by Sheela Foam Employees gratuity trust. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure on 15 days of last drawn salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Discount rate | 7.51% | 7.08% |
| Future salary increase/salary escalation | 7.00% | 5.00% |
| Retirement age (years) | 60 | 60 |
| Employee turnover | | |
| 18 to 30 years | 3.00% | 3.00% |
| From 31 to 45 years | 2.00% | 2.00% |
| Above 45years | 1.00% | 1.00% |

Notes:

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- Information given for retirement age is based on India's standard mortality table with modification to reflect expected changes in mortality/ others.

Quantitative sensitivity analysis for significant assumptions as at March 31 2022 is shown below:

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Increase / (decrease) on present value of defined benefits obligations at the end of the year | | |
| Discount rate | | |
| Increase by 1.00% | (270.71) | (198.06) |
| Decrease by 1.00% | 314.81 | 233.77 |
| Salary Increase | | |
| Increase by 1.00% | 313.27 | 238.38 |
| Decrease by 1.00% | (274.26) | (203.45) |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss, Other Comprehensive Income and the funded status and amounts recognised in the Balance Sheet for the gratuity plan. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.



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Expense recognised in Statement of Profit and Loss and Other Comprehensive Income:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Service cost: | | |
| Current service cost | 163.82 | 185.05 |
| Past service cost and (gain)/loss from settlements | - | - |
| Net interest expense | 3.47 | 27.32 |
| Components of defined benefit costs recognised in profit or loss | 167.29 | 212.37 |
| Remeasurement on the net defined benefit liability: | | |
| Actuarial (gains) / losses arising from changes in financial assumptions | 483.82 | (63.98) |
| Actuarial (gains) / losses arising from experience adjustments | (9.79) | (100.18) |
| Return on Plan Asset (Excluding Interest) | 5.37 | (16.29) |
| Components of defined benefit costs recognised in other comprehensive income | 479.40 | (180.45) |
| Total | 646.69 | 31.82 |

The current service cost and the net interest expense for the year are included in the 'Employee benefit expenses' line item in the Statement of Profit and Loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Present value of funded defined benefit obligation | 2,441.60 | 1,821.02 |
| Fair value of plan assets | (1,838.54) | (1,850.54) |
| Net liability arising from defined benefit obligation | 603.06 | (29.52) |
| Refer Note 25 (Previous Year Note 20) | | |

Movements in the present value of the defined benefit obligation are as follows:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Opening defined benefit obligation | 1,821.01 | 1,891.60 |
| Current service cost | 163.82 | 185.05 |
| Interest cost | 126.92 | 126.25 |
| Remeasurement (gains)/losses: | | |
| Actuarial gains and losses arising from changes in financial assumptions | 483.82 | (63.98) |
| Actuarial gains and losses arising from experience adjustments | (9.79) | (100.18) |
| Benefits paid | (77.68) | (217.66) |
| Closing defined benefit obligation | 2,510.10 | 1,821.02 |

Change in plan assets are as follows:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Opening fair value of plan assets | 1,850.52 | 1,498.68 |
| Return on plan assets | 125.46 | 100.93 |
| Fund management charges | - | - |
| Employer contribution | 5.00 | 402.95 |
| Actuarial (Gain)/Loss on Asset | 5.37 | (16.29) |
| Benefits paid | (147.81) | (125.73) |
| Closing fair value of plan assets | 1,838.54 | 1,898.54 |

The major categories of plan assets:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|-------------------------|--------------------------------------|--------------------------------------|
| Fund managed by insurer | 1,838.54 | 1,850.54 |
| Total | 1,838.54 | 1,850.54 |

Maturity profile of gratuity liability is as follows:

| Year | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| 0 to 1 year | 51.90 | 63.58 |
| 1 to 2 Year | 43.76 | 81.46 |
| 2 to 3 Year | 55.29 | 42.72 |
| 3 to 4 Year | 102.16 | 55.60 |
| 4 to 5 Year | 151.93 | 96.75 |
| 5 Year onwards | 2,036.56 | 1,480.90 |
| Expected contribution to the fund in next year. | 823.87 | 134.31 |



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Note 44 : Related party transactions

(A) Names of related parties and nature of relationship are given below :

| Relationship | Name of the party |
|--|--|
| A. Subsidiary companies (wholly owned) | Joyce Foam Pty Ltd., Australia Divya Software Solutions (P) Ltd., India Sleepwell Enterprises Pvt. Ltd., India International Comfort Technologies SL, Spain Staqa World Pvt. Ltd., India International Comfort Technologies Private Limited., India |
| B. Entities in which Key Management Personnel or their Relatives have significance influence | Rangoli Resorts Pvt. Ltd. Core Moulding Pvt. Ltd. Sleepwell Foundation (Trust) |
| C. Key management personnel | Mr. Rahul Gautam (Managing Director) Mr. Rakesh Chahar (Wholetime Director) Mrs. Namita Gautam (Wholetime Director) Mr. Tushaar Gautam (Wholetime Director) |
| D. Step-down Subsidiary: | Interplasp, SL, Spain, (Subsidiary of International Foam Technologies SL, Spain) Joyce WC NSW PTY Limited (Subsidiary of Joyce Foam Pty Ltd., Australia) |

(B) Transactions during the year

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--|---|
| (i) Purchase of material / capital goods Subsidiaries/Step-down subsidiary Joyce Foam Pty Ltd., Australia International Comfort Technologies Private Limited., India Interplasp, SL, Spain, | 0.16 315.96 144.98 461.10 | 0.81 - 4.39 5.20 |
| (ii) Sale of material/ capital goods Subsidiaries/Step-down subsidiary Joyce Foam Pty Ltd., Australia International Comfort Technologies Private Limited., India Interplasp, SL, Spain, Sleepwell Enterprises Pvt. Ltd., India | 29.57 3,062.56 193.71 - 3,285.84 | 241.70 - 104.07 3.46 349.23 |
| Related entities Sleepwell Foundation (Trust) | 0.36 3,286.20 | 0.33 349.56 |
| (iii) Sale of IT support services Subsidiary Joyce Foam Pty Ltd., Australia | 425.68 425.68 | 419.18 419.18 |
| (iv) Purchase of IT Support Services Subsidiary Staqa World Pvt. Ltd., India | 1,320.00 1,320.00 | 1,170.00 1,170.00 |
| (v) Rent received Subsidiaries International Comfort Technologies Private Limited., India Divya Software Solutions (P) Ltd., India Sleepwell Enterprises Pvt. Ltd., India | 73.70 0.05 0.05 73.80 | - 0.18 0.18 0.36 |
| (vi) Royalty paid Subsidiary Sleepwell Enterprises Pvt. Ltd., India | 10.00 10.00 | 10.00 10.00 |
| (vii) Investment made Subsidiary International Comfort Technologies Private Limited., India - Equity share capital -Convertible Preference share capital | 10.00 2,990.00 3,000.00 | - - - |
| (viii) Key management personnel Compensation of Key management personnel Short-term Employee Benefits Post Employment Benefits | 1,107.55 13.56 1,121.11 | 1,025.44 12.97 1,038.41 |



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| | | |
|--|------------------|---------------|
| (ix) Rent paid | | |
| Subsidiaries | | |
| Divya Software Solutions (P) Ltd., India | 12.00 | 12.00 |
| Sleepwell Enterprises Pvt. Ltd., India | 33.21 | 7.07 |
| | <u>45.21</u> | <u>19.07</u> |
| (x) Contributions for CSR expenses | | |
| Related entities | | |
| Sleepwell Foundation (Trust) | 315.00 | 325.00 |
| | <u>315.00</u> | <u>325.00</u> |
| (xi) Loan to subsidiary companies | | |
| International Comfort Technologies Private Limited., India | 10,800.00 | - |
| International Foam Technologies SL, Spain | - | 209.43 |
| | <u>10,800.00</u> | <u>209.43</u> |
| (xii) Short term advances to subsidiary company | | |
| International Foam Technologies SL, Spain | - | 96.48 |
| | - | <u>96.48</u> |
| (xiii) Repayment of short-term advances/Loans by subsidiary companies | | |
| International Foam Technologies SL, Spain | 125.26 | 506.42 |
| International Comfort Technologies Private Limited., India | 9,600.00 | - |
| | <u>9,725.26</u> | <u>506.42</u> |
| (xiv) Interest on loan given to subsidiary companies | | |
| International Comfort Technologies Private Limited., India | 87.15 | - |
| International Foam Technologies SL, Spain | 83.27 | 296.80 |
| | <u>170.42</u> | <u>296.80</u> |
| (xv) Guarantee Commission received | | |
| Subsidiary | | |
| Joyce Foam Pty Ltd., Australia | 107.17 | - |
| | <u>107.17</u> | - |
| (xvi) Corporate guarantees given during the year | | |
| Subsidiary | | |
| International Comfort Technologies Private Limited., India | 7,600.00 | - |
| | <u>7,600.00</u> | - |

(C) Balances outstanding at the end of the reporting period

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| (i) Subsidiary/step-down subsidiary | | |
| Trade payable | | |
| International Comfort Technologies Private Limited., India | 3.22 | - |
| Staquo World Pvt. Ltd., India | - | 425.49 |
| | <u>3.22</u> | <u>425.49</u> |
| Trade receivable | | |
| Joyce Foam Pty Ltd., Australia | 135.73 | 126.53 |
| Interplasp. SL, Spain | 63.08 | 19.26 |
| | <u>198.81</u> | <u>144.79</u> |
| Investments | | |
| Joyce Foam Pty Ltd., Australia | 2,306.59 | 2,306.59 |
| Divya Software Solutions (P) Ltd., India | 7,602.00 | 7,602.00 |
| Sleepwell Enterprises Pvt. Ltd., India | 109.20 | 109.20 |
| International Foam Technologies SL, Spain | 9,638.86 | 11,352.93 |
| Staquo World Pvt. Ltd., India | 0.73 | 0.73 |
| International Comfort Technologies Private Limited., India | - | - |
| - Equity share capital | 10.00 | - |
| - Convertible Preference share capital | 2,890.00 | - |
| | <u>22,657.38</u> | <u>21,371.45</u> |
| Loan to subsidiary companies | | |
| Short term advances to subsidiary company | | |
| International Foam Technologies SL, Spain | 6,570.40 | 4,847.61 |
| International Comfort Technologies Private Limited., India | 1,200.00 | - |
| | <u>7,770.40</u> | <u>4,847.61</u> |



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| | | |
|--|-----------------|---------------|
| Interest accrued on loan give to subsidiary company | | |
| International Foam Technologies SL, Spain | <u>83.27</u> | <u>125.26</u> |
| | 83.27 | 125.26 |
| Financial /Corporate guarantees (refer note b below) | | |
| Joyce Foam Pty Ltd., Australia | 8,249.95 | 2,672.56 |
| International Foam Technologies SL, Spain | 13,450.90 | 15,251.17 |
| International Comfort Technologies Private Limited., India | <u>7,600.00</u> | <u>-</u> |
| | 29,300.85 | 17,923.73 |
| Post employee benefit plan for the benefitted employees | | |
| SFL Employee Gratuity Trust | 603.06 | (29.52) |

Notes:

- a. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end for trade payable/receivable are unsecured and interest free and loan balances carry interest, further settlements occurs in cash. For the year ended March 31, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- b. Details of financial/Corporate guarantees given are as below:
 - i. Company has given a Corporate guarantee of AUD 20 million on April 09, 2021 towards term loan granted by Citi Bank, Australia for its subsidiary company Joyce Foam Pty Ltd., Australia.
 - ii. Company has given financial guarantee of EURO 20 million on September 25, 2019 towards term loan granted by Citi Bank, Spain for its subsidiary company International Foam Technologies SL, Spain.
 - iii. Company has given Corporate guarantee of INR 7000 lacs each on January 18, 2022 and January 19, 2022 towards term loan granted by Kotak Mahindra bank and JP Morgan Chase Banks respectively for its subsidiary company International Comfort Technologies Private Limited, India.



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Note 45 : Disclosures as per Ind AS 118 'Leases'

(A) Company as lessee

(i) The Company's significant leasing arrangements are in respect of the following assets:

(a) The Company has lease of land and buildings for offices, warehouses and service centres. Right of Use Assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The lease terms for leasehold buildings ranges between 3 years to 9 years.

(ii) The carrying amounts of lease liabilities and the movements during the year:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| As at April 1, 2021 | 189.19 | 261.99 |
| Additions | 1,896.84 | - |
| Accretion of interest | 112.83 | 14.38 |
| Deletion | 43.46 | 68.44 |
| Closing liability as at March 31, 2022 | <u>1,939.84</u> | <u>199.19</u> |
| Current | 113.12 | 8.50 |
| Non current | <u>1,826.72</u> | <u>190.69</u> |
| | <u>1,939.84</u> | <u>199.19</u> |

(iii) Maturity analysis of the lease liabilities:

| Contractual undiscounted cash flows | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| 3 months or less | 78.92 | - |
| 3-12 months | 241.74 | 29.75 |
| 1-2 years | 336.66 | 23.65 |
| 2-5 years | 778.35 | 61.35 |
| More than 5 years | <u>1,564.31</u> | <u>1,523.74</u> |
| Total undiscounted lease liability | 2,999.98 | 1,638.49 |
| Less: Impact of discounting and other adjustments | <u>1,060.14</u> | <u>1,439.30</u> |
| Lease liability as at March 31, 2022 | <u>1,939.84</u> | <u>199.19</u> |

(iv) The following are the amounts recognised in the Statement of Profit and Loss:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Finance cost | 112.83 | 28.00 |
| Depreciation and amortisation expense | 91.52 | 36.58 |
| Expenses relating to short term leases | 151.30 | 150.04 |

(v) The following are the amounts disclosed in the Statement of Cash Flows:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--------------------------|--------------------------------------|--------------------------------------|
| Cash outflow from leases | 195.32 | 14.36 |

(B) Company as lessor

(i) The Company has entered into lease agreements to lease the following properties which have been treated as "Investment Property".

| | |
|--|---|
| Land & Factory Building situated at Sikkim | The lease agreement was executed on 1 st December, 2016. The said lease is for a term of 10 years with a clause to enable upward revision of the rental charge after every 3 years. The total rent recognized as income during the year is Rs. 158.40 lakhs (Previous year: Rs. 153.12 lakhs). |
| Residential Flat situated at Greater Noida | The lease agreement was executed w.e.f. 15 th September, 2018. The said lease was initially for a term of 11 months with a clause of subsequent renewal by mutual consent and the same being ongoing renewed. The total rent recognized as income during the year is Rs. 7.20 lakhs (Previous year: Rs. 7.08 lakhs). |
| Land & Factory Building situated at Silvassa | The lease agreement was executed w.e.f. 31 st August, 2020. The said lease is for an initial period of 3 years with a clause of automatic renewal for year-on-year basis until receive termination from party. Lease rent will be increased by 5% if both parties agreed on year-on-year basis. The total rent recognized as income during the year is Rs. 49.13 lakhs (Previous year: 28.65 lakhs). |



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(b) During the year the Company has entered agreement to lease its property at Nandigram to its subsidiary company for a term of 9 years.

(ii) The carrying amounts of lease receivables and the movements during the year:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| As at April 1, 2021 | - | - |
| Additions | 1,659.31 | - |
| Accretion of interest | 54.42 | - |
| Deletion | (72.00) | - |
| Closing liability as at March 31, 2022 | <u>1,641.73</u> | <u>-</u> |
| Current | 212.51 | - |
| Non current | <u>1,429.22</u> | <u>-</u> |
| | <u>1,641.73</u> | <u>-</u> |

(iv) Maturity analysis of the lease assets:

| Contractual undiscounted cash flows | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| 3 months or less | 51.83 | - |
| 3-12 months | 160.68 | - |
| 1-2 years | 223.14 | - |
| 2-5 years | 738.83 | - |
| More than 5 years | <u>1,008.21</u> | <u>-</u> |
| Total undiscounted lease asset | 2,182.49 | - |
| Less: Impact of interest accruals | <u>(540.76)</u> | <u>-</u> |
| Lease receivable as at March 31, 2022 | <u>1,641.73</u> | <u>-</u> |

(v) The following are the amounts recognised in the Statement of Profit and Loss:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|-----------------|--------------------------------------|--------------------------------------|
| Interest income | 54.43 | - |

(vi) The following are the amounts disclosed in the Statement of Cash Flows:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|-------------------------|--------------------------------------|--------------------------------------|
| Cash inflow from leases | 72.00 | - |



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Note 46 : Fair values of Financial Assets and Financial Liabilities:

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The Company has disclosed financial instruments such as trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

Note 47 : Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2022:

Fair Value measurement hierarchy of Assets:

| Particulars | Date of Valuation | Total | Fair value measurement using | | |
|---|-------------------|-----------|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial Assets measured at fair value through profit and loss | | | | | |
| Other Investments | March 31, 2022 | 13,405.25 | 6,396.45 | - | 5,006.80 |
| Financial Assets measured at fair value through other comprehensive income | | | | | |
| Other Investments | March 31, 2022 | 47,876.02 | - | 47,876.02 | - |
| Financial Assets measured at amortized cost | | | | | |
| Investment in preference shares | | 2,990.00 | - | - | 2,990.00 |
| Other Investments | | 0.35 | - | - | 0.35 |
| Loans | | 8,333.07 | - | - | 8,333.07 |
| Trade receivables | March 31, 2022 | 15,163.44 | - | - | 15,163.44 |
| Cash and cash equivalents | | 1,431.36 | - | - | 1,431.36 |
| Bank balances other than cash and cash equivalents | | 31.58 | - | - | 31.58 |
| Other financial assets | | 4,728.04 | - | - | 4,728.04 |
| Assets for which Fair Values are disclosed: | | | March 31, 2022 | March 31, 2021 | |
| Investment Property | | | 2,591.31 | 1,946.90 | |

Fair Value measurement hierarchy of Liabilities:

| Particulars | Date of Valuation | Total | Fair value measurement using | | |
|---|-------------------|-----------|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial liabilities measured at amortized cost | | | | | |
| Lease liabilities | March 31, 2022 | 1,939.84 | - | - | 1,939.84 |
| Trade payables | | 20,947.69 | - | - | 20,947.69 |
| Other financial liabilities | | 9,164.96 | - | - | 9,164.96 |



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Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2021:

Fair Value measurement hierarchy of Assets:

| Particulars | Date of Valuation | Total | Fair value measurement using | | |
|---|-------------------|-----------|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial Assets measured at fair value through profit and loss | | | | | |
| Other Investments | March 31, 2021 | 7,387.88 | 7,387.88 | - | - |
| Financial Assets measured at fair value through other comprehensive income | | | | | |
| Other Investments | March 31, 2021 | 33,572.09 | - | 33,572.09 | - |
| Financial Assets measured at amortized cost | | | | | |
| Other Investments | | 0.35 | - | - | 0.35 |
| Loans | | 5,416.03 | - | - | 5,416.03 |
| Trade receivables | | 16,304.60 | - | - | 16,304.60 |
| Cash and cash equivalents | March 31, 2021 | 3,503.54 | - | - | 3,503.54 |
| Bank balances other than cash and cash equivalents | | 47.63 | - | - | 47.63 |
| Other financial assets | | 1,081.70 | - | - | 1,081.70 |

Fair Value measurement hierarchy of Liabilities:

| Particulars | Date of Valuation | Total | Fair value measurement using | | |
|---|-------------------|-----------|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial liabilities measured at amortized cost | | | | | |
| Lease liabilities | | 199.19 | - | - | 199.19 |
| Trade payables | March 31, 2021 | 23,329.78 | - | - | 23,329.78 |
| Other financial liabilities | | 8,829.66 | - | - | 8,829.66 |

Note 48 : Financial risk management objectives and policies

The Company's principal financial liabilities, comprise of deposits from dealers, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. Further, the Company has financial risk / exposure of financial guarantees given to the banks towards security against the loans taken by its subsidiaries, however, considering that there is no expected credit losses, there is no financial liability as at the yearend on this account. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include deposits from dealers, investments and foreign currency receivables and payables.

The sensitivity analysis in the following sections relate to the position as at 31 March 2022 and 31 March 2021.

The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2022 and March 31, 2021.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. The Company is exposed to foreign currencies such as "USD", "AED", "AUD", "GBP" and "Euro".

The carrying amount of the foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:



Sheela Foam Limited
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| Particulars | Currency | As at | |
|-----------------------------------|----------|-----------------|-----------------|
| | | March 31, 2022 | March 31, 2021 |
| | USD | (1,961.53) | (1,155.46) |
| Trade payables | EURO | (47.79) | (208.94) |
| | GBP | (19.28) | (6.20) |
| | AUD | (0.16) | - |
| Advance From Customers | USD | (147.84) | (85.99) |
| | USD | 178.82 | 188.29 |
| Trade receivables | AUD | 135.89 | 126.53 |
| | EURO | 59.39 | - |
| | EURO | 0.12 | 39.88 |
| Advance to vendors | GBP | - | 356.05 |
| | USD | 104.57 | 104.71 |
| Loan to Subsidiary Company | EURO | 6,570.40 | 4,847.61 |
| Bank balance | USD | 1.36 | - |
| | AED | 0.11 | - |
| Net assets / (liabilities) | | 4,874.06 | 4,186.48 |

Foreign currency sensitivity analysis

The Company is mainly exposed to USD, EURO, GBP and AUD. The following table demonstrate the sensitivity to a reasonably possible change in respective exchange rates, with all other variables held constant. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for sensitivity change in foreign currency rates. A positive number below indicates an increase in profit or equity and vice-versa.

Foreign currency sensitivity

| Currency | % | As at | |
|----------|-----|----------------|----------------|
| | | March 31, 2022 | March 31, 2021 |
| USD | 2% | (40.70) | (15.57) |
| | -2% | 40.70 | 15.57 |
| EURO | 3% | 203.15 | 228.18 |
| | -3% | (203.15) | (228.18) |
| GBP | 2% | (0.41) | 17.57 |
| | -2% | 0.41 | (17.57) |
| AUD | 4% | 5.25 | 11.95 |
| | -4% | (5.25) | (11.95) |

(ii) Interest risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises mainly of interest-bearing deposits with dealers, however, these are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

(iii) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of bedding articles, home comfort products, furniture cushioning and specialized foam and therefore require a continuous supply of raw materials i.e. TDI and Polyol being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the TDI and Polyol, the Company has entered into various purchase contracts for these material for which there is an active market. The Company's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for the purchase of these material and further the Company increase prices of its products as and when appropriate to minimize the impact of increase in raw material prices.

b) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating review and individual credit limits are defined in accordance with this assessment. The Company regularly monitors its outstanding customer receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits, bonds, debentures and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2022 and March 31, 2021 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.



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| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Non-current assets | | |
| - Other investments | 52,883.17 | 30,358.98 |
| - Loans | 7,778.00 | 4,860.79 |
| - Other non-current financial assets | 1,802.46 | 212.75 |
| Current assets | | |
| - Other investments | 8,398.45 | 10,800.33 |
| - Trade receivables | 15,163.44 | 16,304.60 |
| - Cash and cash equivalents | 1,431.36 | 3,503.54 |
| - Bank balances other than cash and cash equivalents | 91.58 | 47.63 |
| - Loans | 555.07 | 555.24 |
| - Other current financial asset | 2,925.59 | 868.95 |
| Total | 90,969.12 | 67,313.81 |

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short-term bank deposits, short term investments and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

| Particulars | Less than 1 Year | More than 1 Year | Total |
|----------------------------------|------------------|------------------|------------------|
| Year ended March 31, 2022 | | | |
| Trade payables | 20,947.70 | - | 20,947.70 |
| Other financial liabilities | 4,130.88 | 5,034.08 | 9,164.96 |
| | <u>25,078.58</u> | <u>5,034.08</u> | <u>30,112.66</u> |
| Year ended March 31, 2021 | | | |
| Trade payables | 23,329.78 | - | 23,329.78 |
| Other financial liabilities | 3,811.53 | 5,018.13 | 8,829.66 |
| | <u>27,141.31</u> | <u>5,018.13</u> | <u>32,159.44</u> |

Note 49: Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. There is no debt in the company. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022, 31 March 2021 and 1 April 2020.



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Note 50 : Commitments for expenditure

| Particulars | As at | As at |
|---|----------------|-----------------|
| | March 31, 2022 | March 31, 2021 |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of Rs. 181.20 & March 31, 2021: Rs. 225.12) | 379.12 | 3,454.69 |
| | <u>379.12</u> | <u>3,454.69</u> |

Note 51 : Contingent liabilities

| Particulars | As at | As at |
|--|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| (a) Claims against the company not acknowledged as debt (refer note below) | | |
| Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals inwards | | |
| - Sales tax | 480.89 | 688.29 |
| - Entry tax | 194.11 | 165.24 |
| - Income tax | 439.12 | 447.57 |
| - Excise Duty | 410.57 | 380.46 |
| (b) Guarantees given by the Bankers on behalf of the Company to third parties | 56.19 | 43.04 |
| (c) Other money for which the company is contingently liable | 75.00 | 75.00 |

Note:

The Company is contesting these demands and the management including its advisers are of the view that these demands may not be sustainable at the appellate level. The management believes that the ultimate outcome of these proceedings will not have any material adverse effect on the Company's financial position and results of operations. The Company does not expect any reimbursement in respect of these contingent liabilities, and it is not practicable to estimate the timing of cash outflows, if any, in respect of these matters, pending resolution of the appellate proceedings.

Note: 52 Disclosure required under Section 186 (4) of the Companies Act, 2013.

| Name of the Investee | Nature of Transaction | Purpose for which it is utilized | 2021-22 | | 2020-21 | |
|---|---------------------------------|--|-----------------|---------------------|-----------------------------------|---------------------|
| | | | During the Year | Outstanding Balance | During the Year | Outstanding Balance |
| Wholly Owned Subsidiaries | | | | | | |
| Joyce Foam Pty. Ltd., Australia, | Investment | Manufacturing of technical foam supplied to Business to Business customers (mattress and furniture manufacturers) in Australia | - | 2,306.59 | - | 2306.59 |
| | Financial Guarantee given | Corporate guarantee given to bank for security towards long term working capital facility availed by the said Subsidiary. | - | 8,249.95 | - | 2672.56 |
| Divya Software Solutions Pvt. Ltd., India | Investment | Engaged in Software development and related ancillary activities | - | 7,602.00 | - | 7602 |
| Sleepwell Enterprises Pvt. Ltd., India | Investment | The Company, which is holding ownership of Sleepwell and other brands related to foam, mattress & other products. | - | 109.20 | - | 109.2 |
| International Foam Technologies SL, Spain | Investment | To invest in a running Company in Spain, engaged in manufacturing of Polyurethane Foam. | - | 9,838.68 | - | 11352 |
| | Financial Guarantee Loans | Upfront fees paid on behalf of Subsidiary on account of Loan taken from Cit Bank Spain and other advances. | - | 13,450.90 | - | 15251.16 |
| | Advance | | - | 6,570.40 | 209.44 | 4847.61 |
| SleepX US Inc. USA Wholly Owned Subsidiary (Investment w.e.f. 04.10.2019 and dissolved on 29.03.2021) | Investment | Marketing of the products of the Company in USA. | - | - | 1.02 (Written off on dissolution) | - |
| Stago World Pvt. Ltd., India Wholly Owned Subsidiary, (w.e.f. 10.02.2020) | Investment | To carry on business of Information technology and related ancillary services. | - | 0.73 | - | 0.73 |
| International Comfort Technologies Private Limited (w.e.f. 01-10-2021) | Investment in equity shares | | 10.00 | 10.00 | - | - |
| | Investment in preference shares | Manufacturer of technical foam supplied to Business to Business customers (mattress and furniture manufacturers) | 2,990.00 | 2,990.00 | - | - |
| | Loan | | 1,200.00 | 1,200.00 | - | - |
| | Corporate Guarantee | Corporate guarantee given to bank for security towards long term loan facility availed by the said Subsidiary. | 7,600.00 | 7,600.00 | - | - |



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Note 53 : Segment information

Operating segment information

The Company is engaged in the manufacturing of the products of same type/class and has no overseas operations/units and as such there is no reportable segment as per Indian Accounting Standard (Ind AS-106) dealing with the operating segments.

Geographical Information

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Revenue from external customer | | |
| Sale of products & services | | |
| Within India | 2,07,244.47 | 1,67,137.95 |
| Outside India | 5,011.04 | 2,088.15 |
| Total revenue | 2,12,255.51 | 1,69,226.10 |

The revenue information is based on location of customer.

Non-current operating assets

The Company has common non-current operating assets for domestic as well as overseas market. Hence, separate figures for these assets are not required to be furnished.

Note 54 : Transfer pricing

The Company has appointed an independent consultant for conducting a Transfer Pricing Study to determine whether the transactions with associate enterprises undertaken during the financial year are on an "arm's length basis". The Transfer Pricing study under the Income Tax Act, 1961 in respect of transaction with the group companies for the financial year ended March 31, 2022 is not yet complete. Adjustments, if any, arising from Transfer Pricing study shall be accounted for as and when the study is completed. The management confirms that all international transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms. During the current year, the Transfer Pricing certificate under section 92E of Income Tax Act, 1961 for the year ended March 31, 2021 has been obtained and there are no adverse comments requiring adjustments.

Note 55 : Exposure towards Micro, Small and Medium Enterprises

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|-------------|--------------------------------------|--------------------------------------|
|-------------|--------------------------------------|--------------------------------------|

i The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company are as under:

(i) The principal amount and the interest due thereon remaining unpaid to any supplier.

| | | |
|-------------------|--------|----------|
| Principal amount: | 444.61 | 1,168.31 |
|-------------------|--------|----------|

Interest:

| | | |
|--|---|---|
| (ii) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ending. | - | - |
|--|---|---|

| | | |
|--|---|---|
| (iii) The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year). | - | - |
|--|---|---|

| | | |
|---|---|---|
| (iv) The amount of interest accrued and remaining unpaid for the year ending. | - | - |
|---|---|---|

| | | |
|--|---|---|
| (v) The amount of further interest remaining due and payable for the earlier | - | - |
|--|---|---|

The information has been given in respect of such suppliers to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company. Further, the amount payable to these parties is not overdue hence no interest is required to provided/accrued as at March 31, 2022 and March 31, 2021

ii The credit period for purchase of goods and services are normally up to 30 days. No interest is chargeable on trade payables.

Note 56 : Corporate social responsibility

As per provisions of Section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects as per the Schedule VII of the Companies Act, 2013.

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| a) Gross amount required to be spent as per section 135 of the Act | 409.07 | 372.91 |
| Add: Amount Unspent from previous years | - | - |
| Total Gross amount required to be spent during the year | 409.07 | 372.91 |
| b) Amount approved by the Board to be spent during the year | 457.53 | 489.55 |
| c) Amount spent during the year on | | |
| (i) Construction/acquisition of an asset | - | - |
| (ii) On purposes other than (i) above | 457.53 | 489.55 |
| d) Details related to amount spent . | | |
| Contribution to Sleepwell Foundation Trust | 315.00 | 325.00 |
| Spent on Health Support , Promoting education including employment enhancing vocational skills. | 142.53 | 164.55 |
| | 457.53 | 489.55 |
| e) Details of CSR expenditure in respect of other than ongoing projects | | |
| Balance unspent as at opening | - | - |
| Amount deposited in Specified Fund of Schedule VII of the Act within 6 months | - | - |
| Amount required to be spent during the year | 457.53 | 489.55 |
| Amount spent during the year | 457.53 | 489.55 |
| Balance unspent as at closing | - | - |

Corporate social responsibility expenses of company are managed by related party -Sleepwell foundation (refer note no. 44)



Shoela Foam Limited
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Note 57 : Derivative Instruments and unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure as at balance sheet date:

| Particulars | Currency | As at March 31, 2022 | | As at March 31, 2021 | |
|----------------------------|----------|----------------------------|------------|----------------------------|------------|
| | | Amount in foreign currency | In INR | Amount in foreign currency | In INR |
| Trade payables | USD | 25.34 | (1,961.53) | 15.37 | (1,155.45) |
| | EURO | 0.55 | (47.79) | 2.47 | (208.94) |
| | GBP | 0.19 | (18.28) | 0.06 | (6.20) |
| | AUD | 0.00 | (0.16) | - | - |
| Advance From Customers | USD | 1.91 | (147.84) | 1.14 | (85.88) |
| Trade receivables | USD | 2.42 | 178.82 | 2.27 | 168.29 |
| | AUD | 2.47 | 135.89 | 2.33 | 126.53 |
| | EURO | 0.72 | 59.39 | - | - |
| Advance to vendors | EURO | 0.00 | 0.12 | 0.48 | 39.88 |
| | GBP | - | - | 3.63 | 356.05 |
| | USD | 1.41 | 104.57 | 1.46 | 104.71 |
| Loan to Subsidiary Company | EURO | 80.00 | 6,570.40 | 80.00 | 4,847.61 |
| Bank balance | AED | 580.00 | 0.11 | - | - |
| | USD | 1,830.00 | 1.36 | - | - |

Note 58 : Income tax recognised in profit or loss

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|-----------------------------------|-----------------------------------|
| Current tax | | |
| In respect of current year | 7,054.57 | 6,193.49 |
| Tax expenses related to earlier years | (22.27) | (42.32) |
| | <u>7,032.30</u> | <u>6,151.17</u> |
| Deferred tax | | |
| Origination and reversal of temporary differences | (346.52) | 150.33 |
| | <u>(346.52)</u> | <u>150.33</u> |
| Total income tax expense recognised in the current year | <u>6,685.78</u> | <u>6,301.50</u> |

The income tax expense for the year can be reconciled to the accounting profit as follows:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|-----------------------------------|-----------------------------------|
| Profit before tax (including Other comprehensive Income) | 26,300.90 | 24,626.37 |
| Income tax expense calculated at 25.189% | 6,618.41 | 6,197.97 |
| Effect of expenses that are not deductible in determining taxable profit | 115.15 | - |
| Effect of difference in tax rates | (38.25) | - |
| Others | 12.74 | 145.85 |
| | <u>6,708.05</u> | <u>6,343.82</u> |
| Adjustments recognised in the current year in relation to tax of prior years | (22.27) | (42.32) |
| Income tax expense recognised in the Statement of Profit and Loss | <u>6,685.78</u> | <u>6,301.50</u> |
| Effective Tax Rate | 25.42% | 25.59% |

Note 59 : The Code on Social Security 2020

The Code on Social Security 2020 ('The Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.



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Note 60 : Disclosure for specific ratios

| Particulars | Formula | Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 | Variance | Reasons for variances |
|----------------------------------|--|---|--------------------------------------|---|----------|--|
| Current Ratio | Current Assets / Current Liabilities | Numerator Current Assets = Inventories+Financial assets+ Other current assets | 1.56 | 1.67 | 7% | |
| | | Denominator Current Liabilities= Financial Liabilities+Short Term Provisions+ Current Tax Liabilities+Other current liabilities | | | | |
| Debt equity Ratio | Debt / Equity | Non current borrowings+ Current Liabilities | - | - | - | |
| | | Equity share capital + Other Equity | | | | |
| Trade payable turnover Ratio | Net Credit Purchases / Average Trade Payables | Net credit purchases =Cost of material consumed +Purchase of traded goods +Other manufacturing expenses +Changes in inventories of finished goods , traded goods & work in progress | 6.35 | 4.25 | 33% | Improvements in payable turnover ratio is due to reduction in payable repayment time |
| | | Average Trade Payables =Total outstanding dues of micro enterprises and small enterprises+ Total outstanding dues of creditors other than micro enterprises and small enterprises | | | | |
| Net capital turnover Ratio | Revenue / Average Working Capital | Revenue =Revenue from operations | 22.69 | 10.35 | 54% | There is improvement in Capital turnover ratio due to increase in total revenue of the company & optimum utilisation of working capital . |
| | | Average working Capital= Current asset -Current Liability | | | | |
| Debt Service coverage ratio | Net Operating Income / Debt Service | Net Operating Income = Total comprehensive income for the year + Finance costs + Depreciation and amortisation expense | 0.03 | 0.04 | -16% | |
| | | Debt service=Finance costs + Lease payments + Principal payments | | | | |
| Net Profit Ratio | Net Profit / Net Sales | Net Profit = Total comprehensive Income for the year | 0.09 | 0.11 | -17% | |
| | | Net Sales =Revenue from operations | | | | |
| Return on Equity Ratio | Profit after tax less prof. Dividend x 100 / Shareholders Equity | Total comprehensive Income for the year | 0.16 | 0.18 | -12% | |
| | | Shareholders Equity=Total Equity | | | | |
| Return on capital employed | EBIT / Capital Employed | EBIT= Profit before tax + Finance costs | 0.21 | 0.23 | -12% | |
| | | Capital Employed = Total assets -current liabilities | | | | |
| Inventory turnover Ratio | Cost of Goods Sold / Average Inventory | Cost of goods sold =Cost of material consumed +Purchase of traded goods +Other | 6.16 | 5.04 | 18% | |
| | | Average Inventory= (Opening Inventory + Closing Inventory) /2 | | | | |
| Return on investment | Net Profit / Net Investment | Net Profit= Profit before tax + Finance costs | 0.22 | 0.25 | 11% | |
| | | Net Investment = Total Equity + Current borrowings + Non Current borrowings | | | | |
| Trade receivables turnover ratio | Net Credit Sales / Average Trade Receivables | Net Credit sales =Revenue from operations | 13.50 | 11.70 | -13% | Trade Receivable ratio has decreased indicating higher DSO with debtors |
| | | Average Trade Receivables =Trade Receivables | | | | |

Note 61:

(i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

Note 62 : Events after the reporting period

There are no significant adjusting events after the reporting period.

Note 63 : Details of Crypto Currency or Virtual Currency

The company has not traded or invested in Crypto currency or Virtual currency during the financial year.



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Note 64 : Undisclosed Income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 65: Details of Benami Property held

The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

Note 66: Relationship with Struck off Companies under section 246 of the Companies Act, 2013 or section 560 of Companies Act, 1956

The Company does not have any transactions with companies struck off under section 246 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Note 67: Reconciliation of monthly returns or statements of current assets filed with banks or financial institutions

31 March 2022

| Month | Name of bank | Particulars of Securities Provided | Amount as per books of account | Amount as reported in the Monthly statement | Amount of difference | Reason for material discrepancies |
|--------|--|--|--------------------------------|---|----------------------|-----------------------------------|
| Apr-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 28,090.01 | 28,090.01 | - | - |
| May-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 25,909.24 | 25,909.24 | - | - |
| Jun-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 23,930.09 | 23,930.09 | - | - |
| Jul-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 24,797.90 | 24,797.90 | - | - |
| Aug-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 26,151.99 | 26,151.99 | - | - |
| Sec-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 29,075.37 | 29,075.37 | - | - |
| Oct-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 32,969.84 | 32,969.84 | - | - |
| Nov-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 29,760.13 | 29,760.13 | - | - |
| Dec-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 27,449.27 | 27,449.27 | - | - |
| Jan-22 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 26,551.13 | 26,551.13 | - | - |
| Feb-22 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 25,879.66 | 25,879.66 | - | - |
| Mar-22 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 26,924.84 | 26,924.84 | - | - |



Sheela Foam Limited
Notes forming part of the standalone financial statements
(in Indian Rupees (Lakhs), unless otherwise stated)

31 March 2021

| Quarter | Name of bank | Particulars of Securities Provided | Amount as per books of account | Amount as reported in the Monthly statement | Amount of difference | Reason for material discrepancies |
|---------|--|--|--------------------------------|---|----------------------|-----------------------------------|
| Apr-20 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 19,479 | 19,479 | - | - |
| May-20 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 17,604 | 17,604 | - | - |
| Jun-20 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 16,686 | 16,686 | - | - |
| Jul-20 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 17,774 | 17,774 | - | - |
| Aug-20 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 19,611 | 19,611 | - | - |
| Sep-20 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 19,934 | 19,934 | - | - |
| Oct-20 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 24,515 | 24,515 | - | - |
| Nov-20 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 26,910 | 26,910 | - | - |
| Dec-20 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 25,824 | 25,824 | - | - |
| Jan-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 25,748 | 25,748 | - | - |
| Feb-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 24,489 | 24,489 | - | - |
| Mar-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 26,441 | 26,441 | - | - |

Note 68: The following disclosures shall be made where Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

| Type of Borrower | Particulars | | | March 31, 2022 | | March 31, 2021 | |
|--------------------------------------|---|--------------------------------|---|--------------------|------------|--------------------|------------|
| | Loans/Advances granted individually or Jointly with other | Repayable on demand (Yes / No) | Terms/Period of repayment is specified (Yes / No) | Amount outstanding | % of Total | Amount outstanding | % of Total |
| Related Parties (Subsidiary Company) | 10,800.00 | Yes | Yes | 1,200.00 | 14.40% | - | 0.00% |
| | 6,570.40 | No | Yes | 6,570.40 | 78.85% | 4,847.61 | 89.50% |



Sheela Foam Limited
Notes forming part of the standalone financial statements
(In Indian Rupees (Lakhs), unless otherwise stated)

Note 69: Registration of charges or satisfaction with Registrar of Companies

| A brief description of the charges or satisfaction | The location of the Registrar | The period (in days or months) by which such charge had to be registered as on March 31, 2022 | The period (in days or months) by which such charge had to be registered as on March 31, 2021 | Reason for delay in registration |
|---|-------------------------------|---|---|--|
| The floating charge is created on current assets including book debt & on immovable property or any interest therein. | ROC-DELHI | 30 days from the certified copy of hypothecation deed execute between bank & company | 30 days from the certified copy of hypothecation deed execute between bank & company | There is no delay in registration of Charge. |

Note 70 : Compliance with number of layers of Companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Note 71: Following are the reclassifications made in the previous year figures to make them comparable/better presentation with the current year figures:

| Particulars | March 31, 2021 (Revised) | March 31, 2021 (Published) | Nature |
|----------------------------------|-----------------------------|-------------------------------|------------------------|
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| (ii) Other Financial Liabilities | 5,018.13 | 8,444.62 | Reclassification items |
| Current Liabilities | | | |
| Trade Payable | 23,329.72 | 16,020.56 | Reclassification items |
| Financial Liabilities | | | |
| (ii) Other Financial Liabilities | 3,811.53 | 8,373.06 | Reclassification items |

For MSKA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 105047W

(Signature)

Manish P Bathija
Partner
Membership No.: 216706

Place: Gurugram
Date: May 12, 2022



For and on behalf of the Board of Directors of
Sheela Foam Limited
CIN: L74899DL1971PLC005979

(Signature) *(Signature)* *(Signature)*

Rahul Gautam **Tushant Gautam** **Nikhil Ghanashyam Datta**
Managing Director **Whole Time Director** **Chief Financial Officer**
DIN:08192889 **DIN:01645487**

Place: Noida **Place: Noida** **Place: Noida**
Date: May 12, 2022 **Date: May 12, 2022** **Date: May 12, 2022**

(Signature)

Md. Iqbal Ahmad
Company Secretary
Membership No.: A20921

Place: Noida
Date: May 12, 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHEELA FOAM LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of Sheela Foam Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2022, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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DESCRIPTION OF KEY AUDIT MATTER

Impairment of Goodwill

Refer Note 4 to the consolidated financial statements

Group has a Goodwill of INR 25,198.56 lacs as on March 31, 2022. In determining the fair value/ value in use of subsidiaries, the Group has applied judgment in estimating future revenues, operating profit margins, long term growth rate and discount rates. The carrying value of goodwill is tested annually for impairment. The Group performed its annual impairment test of goodwill and determined that there was no impairment.

Due to the significance of the carrying value of goodwill and judgment involved in performing impairment test, we have identified this as a key audit matter.

DESCRIPTION OF AUDITOR'S RESPONSE

We evaluated the judgement and estimation used by management in recognising the Impairment of Goodwill. Our procedures included, but were not limited to the following:

- a) Obtained an understanding from the management with respect to process and controls followed by the Group to perform annual impairment test related to goodwill;
- b) Obtained the impairment analysis model from the management and reviewed their conclusions;
- c) Tested the inputs used in the Model by examining the underlying data and validating the future projections by comparing past projections with actual results;
- d) Assessed the reasonableness of the assumptions used and appropriateness of the valuation methodology applied. Tested the discount rate and longterm growth rates used in the forecast including comparison to economic and industry forecasts where appropriate;
- e) Reconciled the future operating cash flow forecasts with the business plan approved by the Company's board of directors;
- f) Evaluated the appropriateness of the disclosures made in the consolidated financial statement in relation to the above as required under applicable accounting standards.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing ("SAs") 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 consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

OTHER MATTERS

- a. We did not audit the financial statements of 7 subsidiaries (including 2 step down subsidiaries) whose financial statements reflect total assets of Rs. 92,917.40 lacs as at March 31, 2022, total revenues of Rs. 87,715.45 lacs and net cash flows amounting to Rs. 385.83 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report



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in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- b. The consolidated Ind AS financial statements of the Group for the year ended March 31, 2021, were audited by another auditor whose report dated May 29, 2021 expressed an unmodified opinion on those statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.



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- f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. There were no pending litigations which would impact the consolidated financial position of the Group. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 52 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts. Refer Note 71 to the consolidated financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India. Refer Note 72 to the consolidated financial statements.
 - iv.
 - (1) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the Note 63 (i) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (2) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the Note 63 (ii) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.




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- (3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
- v. The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.
2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder except in case of 4 subsidiaries, as the provisions of the aforesaid section is not applicable to private companies.
3. According to the information and explanations given to us and based on the Company (Auditor's Report) Order, 2020 (hereinafter referred as "CARO reports") issued by us for the Company and on consideration of CARO reports by statutory auditors of subsidiaries incorporated in India included in the consolidated financial statements of the Company to which reporting under CARO is applicable, we report that there are no Qualifications/ Adverse remarks.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W


Manish P Bathija
Partner
Membership No. 216706
UDIN: 22216706AIVAKH9850



Place: Gurugram
Date: May 12, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

As part of an audit in accordance with Standards on Auditing (SAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.



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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W


Manish P Bathija
Partner
Membership No. 216706
UDIN: 22216706AIVAKH9850



Place: Gurugram
Date: May 12, 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Sheela Foam Limited on the consolidated Financial Statements for the year ended March 31, 2022]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

OPINION

In conjunction with our audit of the consolidated financial statements of Sheela Foam Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company, its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.



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Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary companies which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.




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OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 3 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W


Manish P Bathija
Partner
Membership No. 216706
UDIN: 22216706AIVAKH9850



Place: Gurgaon
Date: May 12, 2022

SHEELA FOAM LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1. GROUP INFORMATION

Sheela Foam Limited ('the Holding Company') is a ISO 9001:2000 public limited Group incorporated in India with its registered office in New Delhi. The Holding Group is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

The Holding Company, pioneered in the manufacturing of polyurethane foams, has eight Subsidiary companies (Joyce Foam Pty. Limited and its Controlled Entity Joyce W C NSW Pty Limited Australia , International Foam Technologies Spain and its Controlled Entity Interplasp S.L , 'Divya Software Solutions Private Limited', 'Sleepwell Enterprises Private Limited, International Comfort Technologies Private Limited and Staqa World Pvt. Ltd'). The accompanying Consolidated Financial Statements relate to Sheela Foam Limited ('the Holding Company') and its eight Subsidiary companies (together referred as "the Group").

The consolidated financial statements for the year ended 31st March, 2022 were approved by the Board of Directors and authorized for issue on 12th May, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance and Basis of Preparation

a. Basis of Preparation :

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act. The consolidated financial statements have been prepared on accrual and going concern basis. All the assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

The consolidated financial statements have been prepared on a historical cost basis, except, certain financial assets and liabilities, measured at fair value. (refer accounting policy regarding financial instruments).

b. Functional and presentation currency

The consolidated financial statements are prepared in Indian Rupees ('Rs. '), which is the Holding Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimal places, unless stated otherwise.

c. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it is: -

- expected to be realized, or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.



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A liability is classified as current when it is:

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within 12 months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities:

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle:

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalent. The Group has identified twelve months as its operating cycle.

d. Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure and the disclosure of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying consolidated financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

These estimates and assumptions are based on the facts and events, that existed as at the date of Balance Sheet, or that occurred after that date but provide additional evidence about conditions existing as at the Balance Sheet date.

1. Useful lives of Property Plant and Equipment

The Property, Plant and Equipment are depreciated on a pro-rate basis on written down value basis, in case of Holding Group (Sheela Foam Limited) and Indian Subsidiaries and on a straight line basis, in the case of foreign Subsidiaries, over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 2.3 below. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the financial position in future years.

2. Retirement benefit obligation

The cost of retirement benefits and present value of the retirement benefit obligations in respect of Gratuity and Leave Encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, these retirement benefit obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long-term government bonds with extrapolated maturity corresponding to the expected duration of these obligations.

The mortality rate is based on publically available mortality table for the specific countries. Future



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salary, seniority, promotion and other relevant factors and pension increases are based on expected future inflation on a long-term basis. Further details about the assumptions used, including a sensitivity analysis are given in Note 44

3. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

4. Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5. Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

6. Impairment of non-Financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

2.2 BASIS OF CONSOLIDATION

Control is achieved when the group is exposed, or has rights to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consolidation of a subsidiary begins with the group obtains control over the subsidiary and ceases when group loses control of the subsidiary. The Consolidated Financial Statements have been prepared on the following basis: -



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Basis of Accounting:

- i) The financial statements of all subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Holding company, i.e., year ended on 31 March. When the end of the reporting period of the holding company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the holding company to enable the holding company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.
- ii) In case of foreign Subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rates prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve.
- iii) The consolidated financial statements have been prepared in accordance with Indian Accounting Standard - 110 "Consolidated Financial Statements".

Principles of Consolidation:

- i) The financial statements of the Holding Company and its Subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating the intra-group balances and intra-group transactions and unrealized profits or losses in accordance with Indian Accounting Standard - 110 on "Consolidated Financial Statements". Non - controlling interests in the results and equity of subsidiaries are shown separately in the consolidated financials statement .
- ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Group's separate financial statements except as otherwise stated in the Significant Accounting Policies.
- iii) The difference between the costs of investments in the Subsidiaries over the net assets at the time of acquisition of shares in the Subsidiaries is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve as the case may be.

The Consolidated Financial Statements of the Holding Group includes the results of following entities:

| Name of Company | Country of Incorporation | Proportion (%) of Shareholding as on 31.03.2022 | Proportion (%) of Shareholding as on 31.03.2021 |
|--|--------------------------|---|---|
| Subsidiary Companies | | | |
| Joyce Foam Pty. Limited and its Controlled Entity (Joyce W C NSW Pty Limited) | Australia | 100% | 100% |
| International Foam Technologies SL, Spain and its Controlled Entity (Interplasp S.L) | Spain | 100% | 100% |
| Divya Software Solutions Private Limited | India | 100% | 100% |
| Sleepwell Enterprises Private Limited | India | 100% | 100% |
| Stago World Pvt. Ltd. | India | 100% | 100% |
| International Comfort Technologies Private Limited | India | 100% | -- |

2.3 Property, Plant & Equipment

Property, Plant & Equipment are accounted for on historical cost basis (inclusive of the cost of installation and other incidental costs till commencement of commercial production) net of recoverable taxes, less accumulated depreciation and impairment loss, if any. It also includes the



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initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are added to the existing asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Cost of leasehold land is amortized over the period of lease. Leasehold improvements are amortized over the lease period, which corresponds with the useful life of assets.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

In the case of the Holding Company (Sheela Foam Limited) and Indian Subsidiaries (Divya Software Solutions Private Limited, Sleepwell Enterprises Private Limited, Staqa World Private Limited and International Comfort Technologies Private Limited)

Depreciation on property, plant & equipment is provided on a pro-rata basis on written down value basis, over the useful life of the assets estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The asset's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The property, plant and equipment costing upto Rs. 5,000/- are fully depreciated during the year of addition after retaining 5% as net residual value. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

| Asset | Useful life as per Schedule II of the Companies Act, 2013 (No. of Years) | Useful life as assessed/ estimated by the Group (No. of Years) |
|------------------------------------|--|--|
| Buildings : | | |
| - Factory (including roads) | 30 | 29 |
| - Office | 60 | 59 |
| - Residential | 60 | 59 |
| Plant & Equipment | 15 | 20 |
| Furniture & Fixtures | 10 | 15 |
| Vehicles : | | |
| - Motor Cars | 8 | 10 |
| Office Equipment | 5 | 20 |
| Date Processing Equipment : | | |
| - Computer Equipment | 3 | 6 |
| Electrical Fittings | 10 | 20 |

Based on usage pattern and internal assessment, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets is different from the lives as prescribed in Schedule II of the Companies Act, 2013.



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In the case of foreign Subsidiaries (Joyce Foam Pty. Ltd. and its Controlled Entities, and International Foam Technologies SL, Spain and its Controlled Entities)

The depreciable amount of all fixed assets including capitalised lease assets, is depreciated on a straight line basis over the estimated useful lives to the Group commencing from time the assets is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

| Asset | Useful Life range |
|----------------------------|-------------------|
| Buildings | 34 to 36 years |
| Technical Installations | 10 to 20 years |
| Plant & Machinery | 8 to 20 years |
| Furniture & Furnishings | 3 to 7 years |
| Tooling & Other Facilities | 10 years |
| Data Processing Equipment | 4 to 6 years |
| Vehicles | 6 to 7 years |
| Other Assets | 8 to 9 years |

2.4 Investment Property

Property that is held for long- term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are added to the carrying amount only when it is probable that it will increase its useful life. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. Though the Group measures investment property using cost based measurement, the fair value of the investment property is disclosed in the notes. Fair value is determined based on an annual evaluation performed by an accredited external independent valuer applying a recognized and recommended valuation model.

Depreciation on investment property, is provided on a pro-rate basis on written down value basis, over the useful life of the property estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The property's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

| Asset | Useful life as per Schedule II of the Companies Act, 2013 (No. of Years) | Useful life as assessed / estimated by the Group (No. of Years) |
|--------------------|--|---|
| Buildings : | | |
| - Factory | 30 | 29 |
| - Office | 60 | 59 |
| - Residential | 60 | 59 |

Based on usage pattern and internal assessment, the management believes that the useful lives as given above best represent the period over which the management expects to use these properties. Hence the useful lives of these properties is different from the lives as prescribed in Schedule II of the Companies Act, 2013.



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Investment property is derecognized when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss arising on de-recognition of the investment property is included in the Statement of Profit and Loss.

Transfers are made to / from investment property only when there is a change in its use. Transfers between investment property is made at the carrying amount of the property transferred.

2.5 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

(a) Initial recognition and measurement

At initial recognition, all financial assets are recognized at its fair value plus, in the case of a financial asset not carried at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(b) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- a. at amortized cost;
- b. at fair value through other comprehensive income (FVTOCI); and
- c. at fair value through profit and loss (FVTPL)

Where financial assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit and loss), or recognized in other comprehensive income (i.e. fair value through Other Comprehensive Income).

The classification of financial assets depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

(1) Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if both the following conditions are met:

- Business Model Test:

The objective of the business model is to hold financial asset in order to collect contractual cash flows (rather than to sell the asset prior to its financial maturity to realize its fair value changes); and

- Cash Flow Characteristics Test:

Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Group. After initial measurement, such financial asset are subsequently measured at amortized cost using the effective interest rate (EIR) method.



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Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in interest income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade receivables, deposits with banks, security deposits, cash and cash equivalents and employee loans, etc.

(2) **Financial instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI):**

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- **Business Model Test:**

The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and

- **Cash Flow Characteristics Test:**

The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Profit and Loss.

(3) **Financial instruments measured at Fair Value Through Profit and Loss (FVTPL)**

Fair Value through Profit and Loss is a residual category. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified as FVTPL. Financial instruments included in FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements i.e. gain or loss and interest income are recorded in Statement of Profit and Loss.

(c) **Impairment of financial assets**

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial Assets measured at amortized cost;
- Financial Assets measured at FVTOCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Financial assets that are debt instruments, and are measured at amortized cost i.e. trade receivables, deposits with banks, security deposits and employee loans etc.
- Financial assets that are debt instruments, and are measured at FVTOCI,



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Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The trade receivables are initially recognized at the sale/recoverable value and are assessed at each Balance Sheet date for collectability. Trade receivables are classified as current assets, if collection is expected within twelve months as at Balance Sheet date, if not, they are classified under non-current assets.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months (Expected Credit Loss) ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on timely basis.

(d) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's Balance Sheet) when:

- a. The rights to receive cash flows from the asset have been expired/transferred, or
- b. The Group retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Group has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade payables, borrowings, security deposits and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:



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Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit or Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in Other Comprehensive Income. These gains/ losses are not subsequently transferred to Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the Statement of Profit and Loss.

Borrowings & Security Deposits

Any difference between the proceeds (net of transaction costs) and the repayment amount is recognized in Statement of profit or loss over the period of the liability and subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR.

Financial Guarantee Contract

Financial guarantee contracts issued by the Holding Group are those contracts that require a payment to be made to reimburse the holder for loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Trade and other payables

Trade and other payables are obligations incurred by the Group towards purchase of raw material and other goods and availing the services that have been acquired or availed in the ordinary course of business. Trade and other payables are classified under current liabilities, if payment is due within 12 months as at Balance Sheet date, if not, they are classified under non-current liabilities.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.



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(iii) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.6 Inventories

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods includes cost of purchase and such other costs.

In determining the cost of inventories, first-in-first-out cost method is used.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item-by-item basis.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

2.8 Impairment of Non-Financial Assets

The Group assesses at each year end whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").



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2.9 Provisions and Contingent Liabilities

a) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balances sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

2.10 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue from sale of goods is recognised when the control of the goods is transferred to the customer, which is generally on the delivery of the goods, the associated costs and the amount of revenue can be measured reliably and it is probable that the economic benefit associated with the transaction will flow to the Company. It is measured at fair value of the consideration received or receivable, after deduction of sales returns, trade discount, volume rebates, goods and service tax collected on behalf of the government and amount collected on behalf of its customers.

Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed. Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

In respect of above, the amounts received in advance are reflected in the Balance sheet under "Other Current and Non-current Liabilities" as "Contract Liabilities".

2.11 Government Grants / Subsidy

Government grants are recognized when it is reasonably certain that the ultimate collection will be made. Government grants of capital nature are credited to capital reserve. Other government grants of revenue nature including subsidies are credited to specific expense head in the Statement of Profit and Loss.



SHEELA FOAM LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

2.12 Employee Benefits

In the case of Holding Group and Indian Subsidiaries

a. **Short Term Employee Benefits**

All Employee benefits payable within twelve months of rendering the services are classified as short term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia, performance incentive/pay etc. and the same are recognized in the period in which the employee renders the related services.

b. **Long Term Benefit**

The employees are entitled to long service award (LSA), as retention earned leave, after completion of service of five years, which can be en-cashed or accumulated till retirement. The liability towards LSA is provided for on accrual basis as estimated by the management.

c. **Post-Employment Benefits**

i. **Defined contribution plan:**

Approved provident fund scheme, employees' state insurance fund scheme and employees' pension scheme are defined contribution plans. There is no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

ii. **Defined benefit plan**

Gratuity, being a defined benefit plan (the 'Gratuity Plan') covers eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise. The Holding Company Liability is funded through a separate Gratuity Trust. The short/ excess of gratuity liability as compared to the net fund held by the Gratuity Trust is accounted for as liability/ asset as at the Balance Sheet date.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under defined benefit plans can be encashed only on discontinuation of service by employee.

ii. **Employees State Insurance Scheme**

Contribution towards employees' state insurance scheme is made to the regulatory authorities, as applicable and has no further obligations. Such benefits are classified as



SHEELA FOAM LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

In the case of foreign Subsidiaries (Joyce Foam Pty. Ltd. and its Controlled Entity, and International Foam Technologies SL, Spain and its Controlled Entity)

Provision is made for the liability for employee benefits arising from services rendered by employees to balance sheet date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those of benefits.

2.13 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, for a period of time in exchange for consideration even if that right is not explicitly specified in an arrangement.

Group as a lessee

The group's lease asset classes primarily consist of leases for warehouse & facilities. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (i) the contract involves the use of an identified asset (ii) the company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Group as a lessor

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency existing as at the balance sheet date are translated at the year end exchange rates. Exchange rate differences arising on settlement of transaction and translation of monetary items are recognized as income or expenses in the year in which they arise. The long term foreign currency monetary items are carried at the exchange rate prevailing on the date of initial transaction.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of initial transactions.



SHEELA FOAM LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

2.14 Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency existing as at the balance sheet date are translated at the year end exchange rates. Exchange rate differences arising on settlement of transaction and translation of monetary items are recognized as income or expenses in the year in which they arise. The long term foreign currency monetary items are carried at the exchange rate prevailing on the date of initial transaction.

Non- monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of initial transactions.

2.15 Taxation

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

a) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

b) Deferred Tax

Deferred tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in consolidated financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



SHEELA FOAM LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

2.16 Dividend Distribution:

The group recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Entity and is declared by the shareholders. A corresponding amount is recognized directly in the Equity.

2.17 Earnings per Share:

Basic earnings per share is calculated by dividing net profit of the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding without a corresponding change in the resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares

2.18 Goodwill

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of business combination over Holding Company's interest in the net fair value of identifiable assets acquired.

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs, which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU, including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Key assumptions in the cash flow projections are prepared based on current economic conditions and includes estimated long-term growth rates, weighted average cost of capital and estimated operating margins.

Growth rates : The growth rates reflect the long-term average growth rates for the product lines and industries of the segments (all publicly available). These growth rates are consistent with forecasts included in industry reports specific to the industry in which CGU operates. The group considers growth rate factor of 5-10%.

Discount rates : The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each CGU. The group considers discount rate factor of 7-8.5%. Apart from the considerations in determining the value-in-use of the CGU, management is not currently aware of any other probable changes that would necessitate changes in its key estimates

2.19 Transactions within Group

Transactions including expenses to be shared between the companies within the Group are initially recorded under operational heads by the respective Group, and reduced on actual or proportionate (where those are not directly attributable) basis during consolidation.



SHEELA FOAM LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

2.20 Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

2.21 Contributed equity

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds.

2.22 Standards that became effective during the year

There are no new Standards that became effective during the year. The group has applied certain amendments that became effective during the year which are discussed below:

- a) Amendments to Ind AS consequential to conceptual Framework under Ind AS : The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards. The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc. The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021. These amendments have no impact on the consolidated financial statements of the group.
- b) Ind AS 116 : Covid 19 related rent concessions : MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the consolidated financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020. These amendments have no impact on the consolidated financial statements of the group.
- c) Ind AS 103 : Business Combination : The MCA clarified that for the purpose of this Ind AS, acquirers are required to apply the definition of asset and liability given in the framework for preparation and presentation of consolidated financial statements with Indian Accounting standards rather than the conceptual framework. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those



SHEELA FOAM LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

costs in its post-combination consolidated financial statements in accordance with other Ind AS. These amendments have no impact on the consolidated financial statements of the group.

- d) Amendment to Ind AS 105 , Ind AS 16 and Ind AS 28 : In the definition of "Recoverable amount" the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28. These amendments have no impact on the consolidated financial statements of the group.



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Sheela Foam Limited
Consolidated Balance Sheet as at March 31, 2022
(In Indian Rupees (Lakhs), unless otherwise stated)

| Particulars | Note no. | As at March 31, 2022 | As at March 31, 2021 |
|--|----------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 43,547.55 | 42,997.39 |
| Capital work in progress | 3 | 11,889.21 | 3,256.49 |
| Intangible Assets | 4 | 25,203.15 | 26,306.69 |
| Right of use assets | 5 | 13,935.72 | 14,179.88 |
| Investment property | 6 | 5,617.11 | 5,905.47 |
| Financial assets | | | |
| (i) Other investments | 7 | 52,883.17 | 30,359.99 |
| (ii) Loans | 8 | 8.47 | 15.91 |
| (iii) Other financial assets | 9 | 453.61 | 518.69 |
| Non-current tax assets (net) | 10 | 675.35 | - |
| Other non-current assets | 11 | 799.71 | 264.38 |
| Total non-current assets | | 1,55,113.05 | 1,23,804.89 |
| Current assets | | | |
| Inventories | 12 | 31,445.89 | 31,530.73 |
| Financial assets | | | |
| (i) Investments | 13 | 8,938.05 | 10,701.16 |
| (ii) Trade receivables | 14 | 28,504.18 | 30,215.33 |
| (iii) Cash and cash equivalents | 15 | 4,081.28 | 5,736.31 |
| (iv) Other bank balances | 16 | 31.58 | 73.78 |
| (v) Loans | 17 | 555.07 | 555.24 |
| (vi) Other financial assets | 18 | 2,637.42 | 692.79 |
| Other current assets | 19 | 5,938.49 | 3,625.60 |
| Total current assets | | 82,131.56 | 83,130.94 |
| Total assets | | 2,37,245.01 | 2,06,935.83 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 20 | 2,439.14 | 2,439.14 |
| Other equity | 21 | 1,36,617.46 | 1,15,989.95 |
| Equity attributable to shareholders of the Holding group | | 1,39,256.62 | 1,18,429.09 |
| Non-controlling Interest | | 763.33 | 891.81 |
| Total equity | | 1,40,019.95 | 1,19,320.90 |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 22 | 22,818.18 | 13,283.48 |
| (ii) Lease liabilities | 23 | 10,564.79 | 10,855.07 |
| (iii) Other financial liabilities | 24 | 5,034.08 | 5,018.10 |
| Long-term provisions | 25 | 2,739.34 | 623.24 |
| Other non-current liabilities | 26 | 22.70 | 25.54 |
| Deferred tax liabilities (net) | 27 | 183.80 | 887.87 |
| Total non-current liability | | 41,361.89 | 30,673.33 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 28 | 10,957.32 | 7,299.14 |
| (ii) Lease liabilities | 23 | 2,306.18 | 2,005.17 |
| (iii) Trade payables | | | |
| - Total outstanding dues of micro enterprises and small enterprises | 29 | 506.29 | 1,168.31 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 29 | 29,625.31 | 31,844.25 |
| (iv) Other financial liabilities | 30 | 4,538.64 | 5,311.60 |
| Short-term provisions | 25 | 250.36 | 1,468.82 |
| Current tax liabilities (net) | 31 | - | 453.58 |
| Other current liabilities | 32 | 7,679.05 | 7,390.73 |
| Total current liabilities | | 55,663.17 | 56,841.60 |
| Total liabilities | | 97,225.06 | 87,814.93 |
| Total equity and liabilities | | 2,37,245.01 | 2,06,935.83 |

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For MSKA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 105047W

Manish P Bathija
Manish P Bathija
Partner

Membership No.: 216706
Place: Gurugram
Date: May 12, 2022



For and on behalf of the Board of Directors of
Sheela Foam Limited
CIN: L74899DL1971PLC005679

Rahul Gautam
Rahul Gautam
Managing Director
DIN: 00192999

Place: Noida
Date: May 12, 2022

Tushaar Gautam
Tushaar Gautam
Whole Time Director
DIN: 01646487

Place: Noida
Date: May 12, 2022

Nikhil Ghanashyam Darye
Nikhil Ghanashyam Darye
Chief Financial Officer

Place: Noida
Date: May 12, 2022

Md. Iqbal Ahmad
Md. Iqbal Ahmad
Company Secretary
Membership No.: A20921

Place: Noida
Date: May 12, 2022

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Sheela Foam Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2022
(In Indian Rupees (Lakhs), unless otherwise stated)

| Particulars | Note no. | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|----------|--------------------------------------|--------------------------------------|
| Income | | | |
| Revenue from operations | 33 | 2,96,180.84 | 2,43,719.22 |
| Other income | 34 | 7,916.32 | 5,024.30 |
| Total Income | | 3,06,097.16 | 2,48,743.52 |
| Expenses | | | |
| Cost of materials consumed | 35 | 1,79,850.03 | 1,37,684.23 |
| Purchase of traded goods | 36 | 5,353.84 | 1,799.48 |
| Other manufacturing expenses | 37 | 6,228.69 | 4,962.19 |
| Changes in inventories of finished goods, stock-in-trade and work in progress | 38 | (977.78) | (600.45) |
| Employee benefits expense | 39 | 25,768.82 | 23,170.41 |
| Finance costs | 40 | 1,697.31 | 1,768.27 |
| Depreciation and amortisation expense | 41 | 8,077.73 | 7,286.72 |
| Other expenses | 42 | 50,462.64 | 40,288.12 |
| Total Expenses | | 2,76,461.20 | 2,16,358.97 |
| Profit before tax | | 28,635.96 | 32,384.55 |
| Tax expense | 61 | | |
| Current tax | | 8,370.60 | 8,460.26 |
| Tax expenses related to earlier years | | (22.04) | (42.32) |
| Deferred tax (credit) | 27 | (585.48) | (48.58) |
| Total tax expense | | 7,763.08 | 8,369.38 |
| Profit for the year | | 21,872.80 | 24,015.17 |
| Other comprehensive Income | | | |
| (i) Items that will not be reclassified to profit or loss Remeasurements of the net defined benefit plans | | (506.09) | 252.96 |
| (ii) Items that will be reclassified to profit or loss Fair value gain on investments | | 323.91 | 100.06 |
| (iii) Income tax effect on these items on (i) & (ii) | | 47.15 | (88.84) |
| (iv) Exchange differences on translation of foreign operations | | (50.04) | 1,616.92 |
| | | (185.07) | 1,881.10 |
| Total comprehensive income for the year | | 21,687.73 | 25,896.27 |
| Profit for the year attributable to: | | | |
| Shareholders of the Holding Company | | 21,732.97 | 23,772.11 |
| Non-controlling Interest | | 139.83 | 243.06 |
| | | 21,872.80 | 24,015.17 |
| Other Comprehensive Loss for the year attributable to: | | | |
| Shareholders of the Holding Company | | (185.07) | 1,881.10 |
| Non-controlling Interest | | - | - |
| | | (185.07) | 1,881.10 |
| Total Comprehensive Income for the year attributable to: | | | |
| Shareholders of the Holding Company | | 21,547.90 | 25,653.20 |
| Non-controlling Interest | | 139.83 | 243.06 |
| | | 21,687.73 | 25,896.27 |
| Earnings per equity share | | | |
| Basic and diluted | 43 | 44.84 | 49.23 |

The accompanying notes are an integral part of these consolidated financial statements.
As per our report of even date

For MSKA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 105047W

(Signature)

Manish P Bathija
Partner
Membership No.: 216706

Place: Gurugram
Date: May 12, 2022



For and on behalf of the Board of Directors of
Sheela Foam Limited
CIN: L74899DL1971PLC009579

(Signature)

Rahul Gautam
Managing Director
DIN:00192999

Place: Noida
Date: May 12, 2022

(Signature)

Tushar Gautam
Whole Time Director
DIN:01646487

Place: Noida
Date: May 12, 2022

(Signature)

Nikhil Ghanashyam Datye
Chief Financial Officer

Place: Noida
Date: May 12, 2022

(Signature)

Ms. Iqbal Ahmad
Company Secretary
Membership No.: A20921

Place: Noida
Date: May 12, 2022

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Sheela Foam Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2022
(in Indian Rupees (Lakhs), unless otherwise stated)

a. Equity share capital

| | Number of shares | Amount |
|------------------------------|------------------|----------|
| Balance as at April 01, 2020 | 4,87,82,808 | 2,439.14 |
| Add: Issued during the year | - | - |
| Balance as at March 31, 2021 | 4,87,82,808 | 2,439.14 |
| Add: Issued during the year | - | - |
| Balance as at March 31, 2022 | 4,87,82,808 | 2,439.14 |

b. Other equity

| Particulars | Retained earnings | Capital reserve | General Reserve | Foreign Currency Translation | Capital Subsidy | Non-controlling Interest | Total |
|--|-------------------|-----------------|-----------------|------------------------------|-----------------|--------------------------|-------------|
| Balance as at April 01, 2020 | 86,456.83 | 1,402.87 | 1,716.27 | (40.95) | - | 857.38 | 90,202.51 |
| Capital Subsidy received during the year | - | - | - | - | 56.98 | - | 56.98 |
| Profit for the year | 23,772.11 | - | - | - | - | 243.06 | 24,015.16 |
| Dividend paid | (190.66) | - | - | - | - | (45.03) | (235.69) |
| Foreign Exchange gain on Translation | - | - | - | - | - | 26.40 | 26.40 |
| Other adjustments | 0.08 | - | - | - | - | - | 0.08 |
| Other Comprehensive Gain for the year (net of tax) | 264.18 | - | - | - | - | - | 264.18 |
| Exchange gain on translation (net) | - | 961.62 | - | 1,590.52 | - | - | 2,552.15 |
| Total comprehensive income for the year | 23,845.70 | 961.62 | - | 1,590.52 | 56.98 | 224.42 | 26,679.25 |
| Balance as at March 31, 2021 | 1,10,302.53 | 2,364.59 | 1,716.27 | 1,549.57 | 56.98 | 891.81 | 1,16,881.76 |
| Profit for the year | 21,732.97 | - | - | - | - | 139.83 | 21,872.80 |
| Capital Subsidy received during the year | - | - | - | - | 13.59 | - | 13.59 |
| Dividend paid | (146.02) | - | - | - | - | (226.76) | (372.78) |
| Foreign Exchange gain on Translation | - | - | - | - | - | - | - |
| Other adjustments | 0.70 | - | - | - | - | 0.95 | 1.65 |
| Other Comprehensive Gain for the year (net of tax) | (135.03) | - | - | - | - | - | (135.03) |
| Exchange gain on translation (net) | - | (1,968.96) | - | 1,330.29 | - | (42.50) | (681.17) |
| Total comprehensive income for the year | 21,452.62 | (1,968.96) | - | 1,330.29 | 13.59 | (128.48) | 20,699.05 |
| Balance as at March 31, 2022 | 1,31,755.15 | 395.63 | 1,716.27 | 2,879.86 | 70.57 | 763.33 | 1,37,880.81 |

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For MSKA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 105047W

Manish P Bathija
Partner
Membership No.: 216706

Place: Gurugram
Date: May 12, 2022



For and on behalf of the Board of Directors of
Sheela Foam Limited
CIN: L74899DL1971PLC005679

Rahul Gautam
Managing Director
DIN:00192989

Place: Noida
Date: May 12, 2022

Tushaar Gautam
Whole Time Director
DIN:01646487

Place: Noida
Date: May 12, 2022

Nikhil Ghanashyam Datta
Chief Financial Officer

Place: Noida
Date: May 12, 2022

Md. Iqbal Ahmad
Company Secretary
Membership No.: A20921

Place: Noida
Date: May 12, 2022

Sheela Foam Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2022
(In Indian Rupees (Lakhs), unless otherwise stated)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| A. Cash flow from operating activities | | |
| Profit for the year | 29,635.88 | 32,384.66 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 8,077.72 | 7,288.73 |
| Finance costs | 1,687.32 | 1,768.27 |
| Advances/Balances written off | - | 59.67 |
| Provision for doubtful receivables | - | 207.39 |
| Bad debts written off | - | 69.88 |
| Fair value loss/(gain) on investments (net) | 383.00 | (368.86) |
| (Profit) on sale of Investments (net) | (1,228.00) | (1,688.03) |
| Liabilities/provisions no longer required written back | (59.43) | (19.05) |
| Unrealised foreign exchange loss/(Gain) (net) | 256.93 | (32.99) |
| Investment written off | - | 1.02 |
| Interest income | (8,759.45) | (1,375.89) |
| Assets written off | - | 13.26 |
| Loss/(Profit) on sale of property, plant and equipment (net) | 28.16 | (51.93) |
| Operating profit before working capital changes | 35,032.13 | 36,256.02 |
| Changes in working capital: | | |
| Decrease/(Increase) in Inventories | 84.84 | (8,844.89) |
| Decrease/(Increase) in loans and trade receivables | 1,718.75 | (8,985.13) |
| (Increase) in other financial and non-financial assets | (4,057.22) | (616.33) |
| (Increase)/Decrease in trade payables | (3,078.38) | 7,652.94 |
| (Decrease)/Increase in lease liabilities, other financial liabilities, non-financial liabilities and provisions | (555.14) | 6,111.28 |
| Cash generated from operations | 29,144.88 | 33,573.89 |
| Income tax paid (net of refunds) | (9,420.14) | (8,186.87) |
| Net cash inflow from operating activities (A) | 19,724.74 | 25,387.02 |
| B. Cash flow from investing activities | | |
| Purchase of property, plant and equipment including capital work in progress | (16,345.59) | (6,474.60) |
| Proceeds from Sales (Net of adjustment) of property, plant and equipment | 2,054.84 | 145.82 |
| Deposits matured/made during the year (net) | - | (70.41) |
| Investment in bonds, debentures and mutual funds (net) | (19,915.07) | (15,762.81) |
| Loans & advances given | (40.00) | - |
| Rental income | 1,138.54 | 843.42 |
| Interest Income | 2,469.05 | 691.86 |
| Net cash outflow from investing activities (B) | (30,838.22) | (20,826.72) |
| C. Cash flow from financing activities | | |
| Payment of Dividend during the year | (372.73) | (235.69) |
| Subsidy received during the year | 13.59 | 75.97 |
| Proceeds from Secured long term borrowings | 9,587.46 | - |
| Repayment of Secured long term borrowings | - | (2,677.78) |
| Repayment of Unsecured long term borrowings | (32.77) | (144.28) |
| Repayment of Unsecured short term borrowings | (5,652.79) | (2.45) |
| Proceeds from Secured short term borrowings | 9,310.95 | 1,053.09 |
| Proceeds from Unsecured short term borrowings | - | 2,827.89 |
| Payment of lease liabilities | (2,445.30) | (2,586.06) |
| Finance costs | (1,140.07) | (1,345.39) |
| Net Cash inflow/(outflow) from Financing Activities (C) | 9,268.35 | (3,234.70) |
| Net (decrease)/increase in cash and cash equivalents (A+B+C) | (1,855.03) | 1,325.60 |
| Cash and cash equivalents at the beginning of the year | 5,736.31 | 4,410.71 |
| Cash and cash equivalents at the end of the year | 4,081.28 | 5,736.31 |

Notes :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- Components of cash and cash equivalents:

| | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Cash and cash equivalents | | |
| Cash on hand | 20.95 | 2,400.00 |
| Deposits having original maturity of less than 3 months | 933.87 | 17.17 |
| Balance with banks in current accounts | 3,126.46 | 3,319.14 |
| Balance as per Statement of Cash Flows | 4,081.28 | 5,736.31 |

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date
For MSKA & ASSOCIATES
 Chartered Accountants
 Firm Registration No.: 103047W

Manish P Bathija
 Partner
 Membership No.: 216706

Place: Gurugram
 Date: May 12, 2022



For and on behalf of the Board of Directors of
 Sheela Foam Limited
 CIN: L74899DL1971PLC005679

Rahul Gautam
 Managing Director
 DIN:00192999

Place: Noida
 Date: May 12, 2022

Yushaar Gautam
 Whole Time Director
 DIN:01646487

Place: Noida
 Date: May 12, 2022

Nikhil Ghanashyam Datta
 Chief Financial Officer

Place: Noida
 Date: May 12, 2022

Md. Iqbal Ahmad
 Company Secretary
 Membership No.: A20921

Place: Noida
 Date: May 12, 2022

Sheela Foam Limited
Notes forming part of the consolidated financial statements
(In Indian Rupees (Lakhs), unless otherwise stated)

Note 3 : Property, plant and equipment

| Particulars | Land - freehold | | Buildings (including Roads & Lanes) | | Plant & Equipment Free Hold | | Plant & Equipment Lease Hold | | Furniture and fixtures | | Vehicles | | Office equipment | | Electrical fittings | | Total property, plant and equipment | | Capital work in progress | | |
|----------------------------------|-----------------|-----------|-------------------------------------|--------|-----------------------------|----------|------------------------------|----------|------------------------|------------|----------|--|------------------|--|---------------------|--|-------------------------------------|--|--------------------------|--|--|
| | | | | | | | | | | | | | | | | | | | | | |
| At cost or deemed cost | | | | | | | | | | | | | | | | | | | | | |
| As at April 1, 2020 | 1,395.53 | 22,168.88 | 33,531.34 | 96.37 | 1,208.18 | 978.68 | 1,863.13 | 1,383.60 | 62,625.71 | 1,797.32 | | | | | | | | | | | |
| Additions | 461.00 | 1,598.96 | 1,855.03 | - | 43.89 | 81.66 | 142.78 | 120.64 | 4,394.72 | 3,718.58 | | | | | | | | | | | |
| Disposals/transfer/adjustments | (5.88) | 598.29 | 1,488.92 | 19.82 | (85.42) | (85.42) | (8.57) | (12.90) | 2,015.05 | (2,259.41) | | | | | | | | | | | |
| As at March 31, 2021 | 1,850.65 | 24,367.13 | 36,875.94 | 116.00 | 1,252.16 | 994.92 | 2,067.34 | 1,371.34 | 60,945.48 | 3,266.49 | | | | | | | | | | | |
| Additions | - | 51.91 | 5,567.86 | - | 148.36 | 318.51 | 279.35 | 143.51 | 6,510.40 | 15,698.22 | | | | | | | | | | | |
| Disposals/transfer/adjustments | (6.89) | (359.78) | (1,426.26) | (1.34) | (3.96) | (85.38) | (19.04) | (2.62) | (1,804.97) | (6,965.49) | | | | | | | | | | | |
| As at March 31, 2022 | 1,843.96 | 24,079.16 | 41,017.54 | 114.66 | 1,356.65 | 1,229.05 | 2,357.65 | 1,512.23 | 73,550.90 | 11,989.21 | | | | | | | | | | | |
| Accumulated depreciation | | | | | | | | | | | | | | | | | | | | | |
| As at April 1, 2020 | - | 4,683.13 | 13,971.96 | 2.65 | 378.45 | 416.24 | 765.71 | 363.47 | 20,581.62 | - | | | | | | | | | | | |
| Depreciation charge for the year | - | 1,034.10 | 2,910.02 | 8.15 | 154.98 | 172.35 | 320.53 | 183.88 | 4,786.01 | - | | | | | | | | | | | |
| Disposals/transfer/adjustments | - | 68.42 | 617.28 | 0.18 | (1.10) | (44.01) | (4.18) | (6.14) | 630.45 | - | | | | | | | | | | | |
| As at March 31, 2021 | - | 5,785.65 | 17,499.27 | 10.98 | 532.33 | 544.58 | 1,082.06 | 493.21 | 26,948.09 | - | | | | | | | | | | | |
| Depreciation charge for the year | - | 1,229.57 | 2,988.66 | 5.77 | 133.53 | 136.30 | 240.21 | 131.14 | 4,835.18 | - | | | | | | | | | | | |
| Disposals/transfer/adjustments | - | (62.19) | (635.60) | (4.82) | (2.14) | (60.56) | (14.19) | (0.41) | (779.92) | - | | | | | | | | | | | |
| As at March 31, 2022 | - | 6,953.03 | 19,852.33 | 11.93 | 663.72 | 620.32 | 1,308.08 | 623.94 | 30,003.35 | - | | | | | | | | | | | |
| Net carrying amount | | | | | | | | | | | | | | | | | | | | | |
| As at March 31, 2021 | 1,850.65 | 18,601.48 | 19,376.67 | 105.01 | 719.83 | 450.34 | 1,015.27 | 878.13 | 42,987.39 | 3,256.49 | | | | | | | | | | | |
| As at March 31, 2022 | 1,843.96 | 17,126.13 | 21,195.21 | 102.73 | 732.93 | 608.73 | 1,049.57 | 899.28 | 43,547.55 | 11,989.21 | | | | | | | | | | | |

Notes:

- Property, plant and equipment & Capital work in progress has been pledged as security amounting Rs.29,622 lakhs.
- Refer note 50 for disclosure of commitment for expenditure on account of acquisition of Property, plant and equipment.
- Capital Work-in-progress represents assets under construction & installation at various sites and ageing analysis is as below:

| CWIP | March 31, 2022 | | | | | | March 31, 2021 | | | | | | | |
|----------------------|------------------|-----------|-----------|-------------------|------------------|-----------|----------------|-------------------|------------------|-----------|-----------|-------------------|---|----------|
| | Amount in CWIP | | | Total | | | Amount in CWIP | | | Total | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | | |
| Projects in progress | 11,989.21 | - | - | - | 11,989.21 | 3,256.49 | - | - | - | 3,256.49 | - | - | - | 3,256.49 |



Sheela Foam Limited
Notes forming part of the consolidated financial statements
(In INR Lakhs, unless otherwise stated)

Note 4 : Goodwill & other intangible assets

| Particulars | Goodwill | Other Intangible assets | Total |
|---|-----------------|--------------------------------|--------------|
| Cost | | | |
| At April 1, 2020 | 25,459.01 | 283.30 | 25,742.31 |
| Additions | | | |
| Disposal/Transfer/adjustments during the year | 847.88 | 9.69 | 857.37 |
| As at March 31, 2021 | 26,306.69 | 292.99 | 26,599.68 |
| Additions | | 4.73 | 4.73 |
| Disposal/Transfer/adjustments during the year | (1,108.13) | (12.93) | (1,121.06) |
| As at March 31, 2022 | 25,198.56 | 284.79 | 25,483.35 |
| Depreciation | | | |
| At April 1, 2020 | | 281.86 | 281.86 |
| Charge for the year | | 1.46 | 1.46 |
| Disposal/Transfer/adjustments during the year | | 9.67 | 9.67 |
| As at March 31, 2021 | | 292.99 | 292.99 |
| Charge for the year | | 0.14 | 0.14 |
| Disposal/Transfer/adjustments during the year | | (12.93) | (12.93) |
| As at March 31, 2022 | | 280.19 | 280.19 |
| Net book value as at March 31, 2021 | 26,306.69 | - | 26,306.69 |
| Net book value as at March 31, 2022 | 25,198.56 | 4.60 | 25,203.15 |



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Sheela Foam Limited
Notes forming part of the consolidated financial statements
(in INR Lakhs, unless otherwise stated)

Note 5 : Right of use assets

| Particulars | Leasehold land | Buildings | Plant & Equipment | Total |
|--|-----------------|------------------|-------------------|------------------|
| Cost | | | | |
| At April 1, 2020 | 2,104.72 | 10,739.26 | 144.72 | 12,988.70 |
| Additions | - | 3,395.55 | - | 3,395.55 |
| Disposal/Transfer/adjustment during the year | - | (371.28) | (29.47) | (400.75) |
| As at March 31, 2021 | 2,104.72 | 14,506.09 | 174.19 | 16,785.00 |
| Additions | 2,628.77 | 787.57 | - | 3,416.34 |
| Disposal/Transfer/adjustment during the year | (594.33) | (166.90) | (2.01) | (763.24) |
| As at March 31, 2022 | 4,139.16 | 15,126.76 | 172.18 | 19,438.10 |
| Depreciation | | | | |
| At April 1, 2020 | 78.83 | 1,478.58 | 26.13 | 1,583.54 |
| Charge for the year | 21.53 | 2,190.93 | 35.96 | 2,248.42 |
| Disposal/Transfer/adjustment during the year | - | (1,235.49) | 8.64 | (1,226.85) |
| As at March 31, 2021 | 100.37 | 2,434.02 | 70.73 | 2,605.12 |
| Charge for the year | 111.12 | 2,803.89 | 39.05 | 2,954.06 |
| Disposal/Transfer/adjustment during the year | (12.10) | (43.66) | (1.04) | (56.80) |
| As at March 31, 2022 | 199.39 | 5,194.24 | 108.74 | 5,502.37 |
| Net book value as at March 31, 2021 | 2,004.35 | 12,072.07 | 103.46 | 14,179.88 |
| Net book value as at March 31, 2022 | 3,939.77 | 9,932.51 | 63.44 | 13,935.72 |

Note 6 : Investment property

| Particulars | Freehold land | Lease Hold | Buildings | Total |
|--|---------------|--------------|-----------------|-----------------|
| Cost | | | | |
| At April 1, 2020 | - | 68.47 | 6,280.20 | 6,348.67 |
| Additions | 10.90 | - | 48.34 | 59.24 |
| Disposal/Transfer | - | - | - | - |
| As at March 31, 2021 | 10.90 | 68.47 | 6,328.54 | 6,407.91 |
| Additions | - | - | - | - |
| Disposal/Transfer | - | - | - | - |
| As at March 31, 2022 | 10.90 | 68.47 | 6,328.54 | 6,407.91 |
| Depreciation | | | | |
| At April 1, 2020 | - | 3.64 | 179.96 | 183.60 |
| Transfer during the year | - | - | 18.01 | 18.01 |
| Charge for the year | - | 0.91 | 299.92 | 300.83 |
| Disposals during the year | - | - | - | - |
| As at March 31, 2021 | - | 4.55 | 497.89 | 502.44 |
| Charge for the year | - | 0.91 | 267.45 | 268.36 |
| Disposals during the year | - | - | - | - |
| As at March 31, 2022 | - | 5.47 | 785.34 | 790.80 |
| Net book value as at March 31, 2021 | 10.90 | 63.92 | 5,830.65 | 5,905.47 |
| Net book value as at March 31, 2022 | 10.90 | 63.00 | 5,543.20 | 5,617.11 |

Notes:

a. Refer 'Para- 2.4' of Significant Accounting Policies for depreciation and measurement of investment property.
b. The leasehold land has been amortised during the year by Rs. 0.91 lakhs (Previous Year : Rs. 0.91 lakhs) as per the accounting policy in terms of the Ind AS-40 on 'Investment Property'.

c. Income from investment property

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| Rental Income derived from investment property | 214.73 | 188.86 |
| Profit arising from investment property before depreciation | 214.73 | 188.86 |
| Less: Depreciation for the year | (288.36) | (300.83) |
| Net Profit arising from investment property | (73.63) | (111.97) |

d. The group has obtained independent valuation for its investment properties at Rs. 8,297 Lakhs as on 31st March 2022 and Rs. 8,297 lakhs as on March 31, 2021. These valuations are based on valuations performed by K.S. Agrawal Associates, an accredited independent valuer. K.S. Agrawal Associates is a specialist in valuing these types of investment properties and reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an asset of equivalent utility, depreciation and obsolescence.

Fair market value is the amount expressed in terms of money that may reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that group shall continue to operate and run the assets to have economic utility. The fair value is on 'as is where is' basis.

e. There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements thereof and there are no restriction on remittance of income and proceeds of disposal.

f. The investment properties which are leasehold properties, realisability of the same is subject to the terms and conditions under the respective lease agreements.

g. The group's Investment Properties are given on cancellable lease for a period 0-10 years.



Sheela Foam Limited
Notes forming part of the consolidated financial statements
(In Indian Rupees (Lakhs), unless otherwise stated)

Note 7 : Other investments

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| In Bonds & Debentures - fully paid up | | |
| Carried at amortised cost - Unquoted | 0.35 | 0.35 |
| Carried at fair value through other comprehensive income - Quoted | 47,876.02 | 30,359.64 |
| Carried at fair value through Profit & Loss - Unquoted | 5,006.80 | - |
| Total Investments | 52,883.17 | 30,359.99 |
| Aggregate amount of Quoted Investments | 47,876.02 | 30,359.64 |
| Market value of Quoted Investments | 47,876.02 | 30,359.64 |
| Aggregate amount of Unquoted investment | 5,007.15 | 0.35 |
| Aggregate amount of Impairment in value of investments | - | - |

Note 8 : Loans

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------------|-------------------------|-------------------------|
| (Unsecured, considered good) | | |
| Loans to employees | 8.47 | 15.91 |
| Total | 8.47 | 15.91 |

Note 9 : Other financial assets

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------------|-------------------------|-------------------------|
| (Unsecured, considered good) | | |
| Security deposits | 452.27 | 258.61 |
| Deposits with Banks: | | |
| - held as margin money | 1.34 | 1.34 |
| - others | - | 257.70 |
| Interest accrued but not due on | - | 1.04 |
| Total | 453.61 | 518.69 |

Note 10 : Non current tax assets (net)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Advance income tax (net of provision of Rs.24,863.71 lacs & (March 31,2021 Rs. 24,323.99 lacs)) | 675.35 | - |
| Total | 675.35 | - |

Note 11 : Other non current assets

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------------|-------------------------|-------------------------|
| (Unsecured, considered good) | | |
| Capital advances* | 720.89 | 225.12 |
| Prepaid rent | 38.82 | 39.28 |
| Loan & advances | 40.00 | - |
| Total | 799.71 | 264.38 |

*Value of Contracts in capital account remaining to be executed (refer note 51)

Note 12 : Inventories

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| (Valued at lower of cost and net realisable value unless otherwise stated) | | |
| Raw material | 16,417.46 | 16,295.05 |
| Raw Material (In Transit) | 2,975.91 | 4,090.40 |
| Work-in-progress | 5,331.22 | 6,221.21 |
| Finished goods | 4,016.91 | 3,017.25 |
| Stock-in-trade | 840.21 | 138.23 |
| Packing Material | 839.91 | 633.94 |
| Packing Material (In Transit) | 54.88 | 14.30 |
| Stores and spares | 938.29 | 983.05 |
| Stores & spares (In Transit) | 31.10 | 136.30 |
| Total | 31,446.89 | 31,530.73 |

Inventories held by group are subject to hypothecation by bankers towards working capital limits obtained by the group.



Sheela Foam Limited
Notes forming part of the consolidated financial statements
(In Indian Rupees (Lakhs), unless otherwise stated)

Note 13 : Investments

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| In Bonds & Debentures - fully paid up | | |
| Carried at amortised cost - Unquoted | 25.00 | - |
| Carried at fair value through profit and loss- Quoted | - | 1,308.06 |
| Carried at fair value through other comprehensive income - Quoted | - | 3,212.45 |
| | <u>25.00</u> | <u>4,520.51</u> |
| In Mutual Funds - fully paid up | | |
| Carried at fair value through profit and loss- Quoted | 8,913.05 | 6,180.65 |
| | <u>8,913.05</u> | <u>6,180.65</u> |
| Total Investments | <u>8,938.05</u> | <u>10,701.16</u> |
| Aggregate amount of Quoted Investments | 8,913.05 | 10,701.16 |
| Aggregate market value of Quoted Investments | 8,913.05 | 10,701.16 |
| Aggregate amount of Unquoted Investment | 25.00 | - |
| Aggregate amount of Impairment In value of Investment | - | - |

Note 14 : Trade receivables

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| (At amortised cost) | | |
| Unsecured | | |
| Trade receivables - considered good (Refer note below) | 28,504.18 | 30,215.33 |
| Trade receivables - considered doubtful | 800.02 | 1,557.95 |
| Trade receivables (gross) | <u>29,304.20</u> | <u>31,773.28</u> |
| Less: Impairment allowance for trade receivables considered doubtful | <u>(800.02)</u> | <u>(1,557.95)</u> |
| Total | <u>28,504.18</u> | <u>30,215.33</u> |

Note :

- a. No trade or other receivables are due from directors or other officers of the group either severally or jointly with any other person.
b. Trade receivables are usually non-interest bearing and are on trade terms of 0 - 60 days.
c. The group applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables. The group tracks changes in expected credit loss on trade receivables based on overdue outstanding exposure, expected default rate and basis exposure is secured/unsecured. ECL impairment loss allowance (or reversal) recognised during the year is recognised in the Statement of Profit and Loss.

Movement in the expected credit loss allowance

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Balance at the beginning of the year | 1,557.95 | 1,269.20 |
| Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses | 757.93 | (268.75) |
| Balance at the end of the year | <u>800.02</u> | <u>1,557.95</u> |

- e. Refer note 48 for information about credit and market risk of trade receivables.
f. Realization from trade receivables held by group are subject to hypothecation by bankers towards working capital limits obtained by the group.
g. Below is the ageing analysis of trade receivables

As on March 31, 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|--|--------------------|-------------------|---------------|---------------|-------------------|------------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | more than 3 years | |
| (i) Undisputed trade receivables | | | | | | | |
| - considered good | 14,289.28 | 13,972.02 | 190.67 | 17.59 | 2.97 | 28.86 | 28,501.39 |
| - which have significant increase in credit | - | - | - | - | - | - | - |
| (ii) Disputed trade receivables | | | | | | | |
| - considered good | - | - | - | 2.80 | - | - | 2.80 |
| - which have significant increase in credit | - | 38.28 | 76.03 | 241.88 | 175.13 | 268.69 | 800.01 |
| Total | <u>14,289.28</u> | <u>14,010.30</u> | <u>266.70</u> | <u>262.27</u> | <u>178.10</u> | <u>297.55</u> | <u>29,304.20</u> |



Sheela Foam Limited
Notes forming part of the consolidated financial statements
(In Indian Rupees (Lakhs), unless otherwise stated)
As on March 31, 2021

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|--|--------------------|-------------------|---------------|---------------|-------------------|------------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | more than 3 years | |
| (i) Undisputed trade receivables | | | | | | | |
| - considered good | 17,363.84 | 12,524.58 | 161.92 | 63.26 | 45.58 | - | 30,159.18 |
| - which have significant increase in credit | - | - | - | - | - | - | - |
| (ii) Disputed trade receivables | | | | | | | |
| - considered good | - | - | - | 45.03 | 11.12 | - | 56.15 |
| - which have significant increase in credit | - | 138.25 | 247.67 | 148.43 | 142.60 | 881.00 | 1,557.95 |
| Total | 17,363.84 | 12,662.83 | 409.59 | 256.72 | 189.30 | 881.00 | 31,773.28 |

Note 15 : Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Balance Sheet as follows:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Balance with banks : | | |
| Current accounts | 3,126.46 | 3,319.14 |
| Fixed deposits account with an original maturity of less than three months | 833.87 | 17.17 |
| Cash on hand | 20.95 | 2,400.00 |
| Total | 4,081.28 | 5,736.31 |

Note:

- a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior year.
b) Cash balances with bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of one to three months, depending on the immediate cash requirements of the group, and earn interest at the respective short-term deposit rates.

Note 16 : Other bank balances

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Deposits with Banks: | | |
| - held as margin money | - | 47.63 |
| - Deposits having original maturity more than 3 months but less than 12 months: | 31.59 | 26.15 |
| Total | 31.58 | 73.78 |

Note:

Other bank balances represents fixed deposits invested with banks.

Note 17 : Loans

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|------------------------------|-------------------------|-------------------------|
| (Unsecured, considered good) | | |
| Loans to employees | 55.07 | 55.24 |
| Inter-corporate deposits | 500.00 | 500.00 |
| Total | 555.07 | 555.24 |

Note 18 : Other current financial assets

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Unsecured, considered good | | |
| Interest accrued but not due on deposits with Banks, bonds and debentures | 1,983.18 | 692.79 |
| Interest accrued on loan given to others | 6.00 | - |
| Receipt incentive receivable | 1.59 | - |
| Other loans & advances (refer note below) | 646.54 | - |
| insurance claim receivable | 0.11 | - |
| Total | 2,637.42 | 692.79 |

Note:

- a. Other loans & advances comprise of advances to staff for expenses and advances to other parties etc.



Sheela Foam Limited
Notes forming part of the consolidated financial statements
(In Indian Rupees (Lakhs), unless otherwise stated)
Note 19 : Other current assets

| Particulars | As at | As at |
|---|-----------------|-----------------|
| | March 31, 2022 | March 31, 2021 |
| Advance to contractors/suppliers | 3,326.04 | 1,885.55 |
| Balances with Statutory/Government authorities: | | |
| - Excise & Custom | 16.24 | 2.85 |
| - GST | 1,043.35 | 23.27 |
| - VAT/Sales Tax | 742.08 | 478.95 |
| GST Refund receivable | | 560.33 |
| Prepaid expenses | 490.89 | 427.85 |
| Lease equalisation | 66.33 | 62.73 |
| Income tax refund | 15.33 | 15.33 |
| Right to recover return goods* | 166.14 | - |
| Others | 72.09 | 178.74 |
| Total | 5,938.49 | 3,625.60 |

* In certain cases, the Group provides its customers right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, the Group recognises Liability for expected sales return, a receivables on expected sales return (and corresponding adjustment to change in inventory is also recognised for the receivables on expected sales return from a customer).



Sheela Foam Limited
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(In Indian Rupees (Lakhs), unless otherwise stated)

Note 20 : Equity share capital

| Particulars | As at | As at |
|--|-----------------|-----------------|
| | March 31, 2022 | March 31, 2021 |
| (a) Authorised share capital: 8,80,21,000 fully paid equity shares of Rs. 5 each (March 31, 2021 : 8,80,21,000 fully paid equity shares of Rs. 5 each) | 4,401.05 | 4,401.05 |
| | <u>4,401.05</u> | <u>4,401.05</u> |
| Issued, subscribed & paid up share capital: 4,87,82,808 fully paid equity shares of Rs. 5 each (March 31, 2021 : 4,87,82,808 equity shares of Rs. 5 each) | 2,439.14 | 2,439.14 |
| Total | <u>2,439.14</u> | <u>2,439.14</u> |

(b) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

| | As at | | As at | |
|---|--------------------|-----------------|--------------------|-----------------|
| | March 31, 2022 | | March 31, 2021 | |
| | Number of shares | Amount | Number of shares | Amount |
| At the beginning of the year | 4,87,82,808 | 2,439.14 | 4,87,82,808 | 2,439.14 |
| Issued during the year | - | - | - | - |
| Outstanding at the end of the year | <u>4,87,82,808</u> | <u>2,439.14</u> | <u>4,87,82,808</u> | <u>2,439.14</u> |

c) Terms and rights attached to equity shares

The group has one class of equity shares having a par value of Rs. 5/- per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity Shareholders are eligible to receive the remaining assets of the group in proportion of their shareholding.

(d) Details of shareholders holding more than 5% shares in the group

| | As at | | As at | |
|---------------------------------|----------------|--------------|----------------|--------------|
| | March 31, 2022 | | March 31, 2021 | |
| | Number | % of holding | Number | % of holding |
| Sh. Rahul Gautam | 62,09,485 | 12.73% | 62,09,485 | 12.73% |
| Smt. Namita Gautam | 57,15,879 | 11.72% | 57,15,879 | 11.72% |
| Sh. Tushaar Gautam | 1,70,86,314 | 35.03% | 1,70,86,314 | 35.03% |
| Rangoli Resorts Private Limited | 65,63,391 | 13.45% | 65,63,391 | 13.45% |
| SBI Magnum Midcap Fund | 43,64,301 | 8.99% | 43,56,390 | 8.93% |
| DSP Midcap Fund | 24,38,196 | 5.00% | 28,55,425 | 5.85% |
| Kotak Emerging Equity Scheme | 30,64,942 | 6.32% | 27,73,731 | 5.69% |

Note: As per records of the group, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(e) Aggregate number and class of shares allotted as fully paid up by way of bonus shares

During 2016-17, 1,62,60,936 fully paid up equity shares of Rs. 5/- each, were allotted by way of bonus shares to all the shareholders in the ratio of 1:2.

(f) Shareholding of promoters & promoter group

| Shares held by promoters at the end of the year | As at | | As at | |
|---|----------------|---------------|----------------|---------------|
| | March 31, 2022 | | March 31, 2021 | |
| | Number | % of holding | Number | % of holding |
| Promotor name | | | | |
| Sh. Rahul Gautam | 62,09,485 | 12.73% | 62,09,485 | 12.73% |
| Smt. Namita Gautam | 57,15,879 | 11.72% | 57,15,879 | 11.72% |
| Sh. Tushaar Gautam | 1,70,86,314 | 35.03% | 1,70,86,314 | 35.03% |
| Rangoli Resorts Private Limited | 65,63,391 | 13.45% | 65,63,391 | 13.45% |
| Core Mouldings Private Limited | 12,018 | 0.02% | 12,018 | 0.02% |
| Total | | <u>72.95%</u> | | <u>72.95%</u> |

(g) No class of shares have been issued as bonus shares or for consideration other than cash by the group during the period of five years immediately preceding the current year end.



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Sheela Foam Limited
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(in Indian Rupees (Lakhs), unless otherwise stated)
Note 21 : Other equity

| Particulars | As at | As at |
|--------------------------------------|--------------------|--------------------|
| | March 31, 2022 | March 31, 2021 |
| Capital reserve | 395.62 | 2,364.59 |
| Foreign currency translation reserve | 2,879.88 | 1,549.57 |
| Capital Subsidy | 70.57 | 56.98 |
| General reserve | 1,716.27 | 1,716.27 |
| Retained earnings | 1,31,755.16 | 1,10,302.54 |
| Total | 1,36,817.48 | 1,15,989.95 |

| Particulars | As at | As at |
|---|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Capital reserve | | |
| Opening balance | 2,364.58 | 1,402.97 |
| Foreign exchange translation (loss)/gain | (1,968.96) | 951.61 |
| Closing balance | 395.62 | 2,364.58 |
| General Reserve | | |
| Opening balance | 1,716.27 | 1,716.27 |
| Closing balance | 1,716.27 | 1,716.27 |
| Foreign currency translation reserve | | |
| Opening balance | 1,549.57 | (40.95) |
| (Loss)/Gain on property, plant and equipment and goodwill (net) | (2,187.63) | 4,035.46 |
| Gain/(Loss) on others | 3,517.92 | (2,444.94) |
| Closing balance | 2,879.86 | 1,549.57 |
| Retained earnings | | |
| Opening balance | 1,10,302.54 | 86,456.83 |
| Net profit for the year | 21,732.97 | 23,772.11 |
| Dividend paid to non-controlling interest | (146.02) | (190.66) |
| Other Comprehensive (loss)/gain (net of tax) | (135.03) | 264.18 |
| Other adjustments | 0.70 | 0.08 |
| Closing balance | 1,31,755.16 | 1,10,302.54 |
| Capital Subsidy | | |
| Opening balance | 56.98 | 56.98 |
| Receipts during the year | 13.59 | - |
| Closing balance | 70.57 | 56.98 |

Note:

(a) Capital reserve

During amalgamation of the subsidiaries in the year 2012-13, the excess of net assets taken, over the cost of consideration paid was treated as capital reserve.

(b) General reserve

The group had transferred a portion of the net profit of the group before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956.

(c) Foreign currency translation reserve

The amount represents reserve arising from (gain/loss) on translation of the financial statements of foreign subsidiary in the presentation currency of the Holding company.

Note 22 : Non current borrowings

| Particulars | As at | As at |
|---|------------------|------------------|
| | March 31, 2022 | March 31, 2021 |
| Secured | | |
| Term loan from banks (refer note (i) below) | | |
| - INR bank loan | 352.68 | 13,148.51 |
| - USD bank loan | 7,247.32 | - |
| -Euro Term Loan | 9,767.62 | - |
| -AUD Term Loan | 5,388.35 | - |
| | 22,755.97 | 13,148.51 |
| Unsecured | | |
| Loan from financial credit institutions (refer note (ii) below) | 82.21 | 114.97 |
| | 82.21 | 114.97 |
| Total | 22,838.18 | 13,263.48 |

Notes

(i) a. INR & USD Term loans have been taken from JP Morgan & Kotak Mahindra Bank respectively during the year for purchase of capital equipments for its Nandigram & towards construction of Mandla (Jabalpur) manufacturing facilities.

b. INR Term Loan taken by International Comfort Technologies Private Limited carries interest to be charged on loan shall be linked to 1.37% over 3M T- Bill rates as applicable on the date of agreement shall be revised at interval of every 3 months . The loan is repayable in 16 equal installments with in 5 years of disbursement considering 1 year of moratorium period.

c. USD Term Loan taken by International Comfort Technologies Private Limited carries interest of 2.25% pa and is repayable in 16 equal installments with in 5 years of disbursement considering 1 year of moratorium period & has been secured by hypothecation of first charge on entire fixed assets (Movable fixed assets and immovable fixed assets).

d. Euro Term Loan from CITI Bank is taken by International Foam Technologies Spain S.L based on Stand by Letter of Credit from Citi Bank, India secured by exclusive charge on certain fixed assets of the Holding Company. The term loan carry the arithmetic sum of the reference Interest rate viz. 3 month EURIBOR communicated by the bank for the period and accepted by the borrower. The principal amount of Loan will be repaid by the Company in 20 quarterly equated instalments as per predefined schedule and with first instalment started from October, 2020 and last instalment due in October, 2025.

e. AUD Term Loan from Citi Bank, Australia is taken by Joyce Foam PTY Limited secured by a first registered mortgage over the freehold property and by a fixed and floating charge over all the assets and undertaking of the consolidated group including plant & machinery . The term loans carry an interest rate which is aggregate of the applicable Margin and BBSY Bid communicated by the bank for the interest period and accepted by the borrower. The principal amount of the loan will be repaid in 80 monthly instalments as per predefined schedule with the first instalment started from July 2021 and the last instalment due in June 2026. The facility agreement with Citi Bank requires the following covenants to be maintained at a group and a company level mention below:-



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- i. Gross Leverage ratio (Group) less than 2.5
ii. Debt service coverage ratio (Group) greater than 1.4
iii. Debt to tangible Net Worth (Group) less than 2.0
iv Fixed Asset Coverage Ratio (Company) greater than 1.25

As at the end of the reporting period the above ratios has been complied with.

f. Purpose of loan and its utilization

| Particulars of Loans | Purpose (as per Loan Agreement) | Whether used for the purpose stated in the loan Agreement | If no, mention the purpose for which it is utilised |
|------------------------------|---|---|---|
| JP Morgan (INR loan) | The facility shall be used by the borrower towards Capex at their new plants in Nandigram and Jabalpur. | Yes | Not applicable |
| Kotak Mahindra (USD Loan) | For capex at Maneri, Medhi Niwas, Jabalpur, Madhya Pradesh and Nandigram, Umbergaon, Valsad, Gujrat. | Yes | Not applicable |
| Citi Bank Loan (Euro Loan) | The purpose of the loan is the acquisition of the shares of the target company | Yes | Not applicable |
| Citi Bank Loan (AUD Loan) | The facility shall be used for capital expenditure for acquisition of Plant , Machinery and equipment | Yes | Not applicable |

g. Repayment schedule for secured loan taken during the year.

| Particular | Citi Bank Spain (Aud Loan) | Citi Bank Spain (EURO Loan) | JP Morgan (INR loan) | Kotak Mahindra (USD Loan) |
|--|---------------------------------|----------------------------------|--------------------------------|------------------------------|
| Number of instalments due (Nos) | 51 | 14 | 16 | 16 |
| Rate of Interest (%) | BBSY+ Applicable Margin | 3 Month EURIBOR | 1.37% over 3M T- Bill rates | 2.25% |
| Within one year (INR) | 1,337.00 | 2,800.61 | - | - |
| After one year but not more than 5 years (INR) | 5,368.35 | 9,767.62 | 352.77 | 7,000.00 |
| More than 5 years (INR) | - | - | - | - |

(ii) Rs. 82.21 lakhs obtained from various financials credit institutions. These unsecured loans carries interest rate 0.90%

Note 23 : Lease liability

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--------------------|-------------------------|-------------------------|
| Lease liability | 12,870.97 | 12,860.24 |
| Total | 12,870.97 | 12,860.24 |
| Current | 2,306.18 | 2,005.17 |
| Non current | 10,564.79 | 10,855.07 |

Note:

a. Refer note no. 46 A

Note 24 : Other non current financial liabilities

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Deposits from dealers and others | 4,941.19 | 4,449.92 |
| Unearned Interest Income on deposits from dealers | 66.00 | 521.45 |
| Unearned Rent Income | 26.89 | 46.76 |
| Total | 5,034.08 | 5,018.13 |

Note 25 : Provisions

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Long term provisions: | | |
| Provision for employee benefits: | | |
| -Compensated absences | 1,592.91 | 428.00 |
| -Gratuity | 704.41 | - |
| Other provisions: | | |
| -Provision for warranty (Refer note below) | 441.02 | 195.24 |
| Total (A) | 2,738.34 | 623.24 |
| Short term provisions: | | |
| Provision for employee benefits: | | |
| -Compensated absences | 9.93 | 1,041.99 |
| -Gratuity | 2.14 | - |
| Other provisions: | | |
| -Provision for warranty (Refer note below) | 238.31 | 425.83 |
| Total (B) | 250.38 | 1,468.82 |
| Grand total (A+B) | 2,988.72 | 2,092.06 |



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Note:

Provision for warranty:

Provision is recognised for expected warranty claims on mattresses sold, based on past experience of the level of returns and in accordance with the Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets". Assumptions used for the said provision are sales return trend based on past warranty sales. The table below gives information about movement in warranty provision:

| Particulars | As at | As at |
|------------------------------|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| At the beginning of the year | 622.07 | 631.31 |
| Created during the year | 963.10 | 498.57 |
| Utilised during the year | 925.84 | 507.81 |
| At the end of the year | 679.33 | 622.07 |

Note 26 : Other non current liabilities

| Particulars | As at | As at |
|-------------------------------|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Deferred capital grant income | 22.70 | 25.54 |
| Total | 22.70 | 25.54 |

Note 27 : Deferred tax liabilities (net)

| Particulars | As at | As at |
|--------------------------------|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Deferred tax liabilities (net) | 183.80 | 887.87 |
| Total | 183.80 | 887.87 |

Movement of deferred tax liabilities/(assets)

| Particulars | As at | As at |
|-------------|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |

Deferred tax liabilities/(assets) in relation to

As at March 31, 2022

| | | |
|---|----------|----------|
| Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting purposes. | (196.49) | 806.54 |
| Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis | (320.18) | (495.53) |
| Fair value gain on financial instruments at fair value through statement of profit or loss (Net) | 65.50 | 69.32 |
| Lease liabilities (net) | 387.94 | (4.00) |
| Business Loss | (350.22) | |
| Others | 597.25 | 511.54 |
| Total | 183.80 | 887.87 |

As at March 31, 2021

| | | |
|---|----------|----------|
| Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting purposes. | 806.54 | 436.75 |
| Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis | (495.53) | (244.26) |
| Fair value gain on financial instruments at fair value through statement of profit or loss (Net) | 69.32 | 75.70 |
| Lease liabilities (net) | (4.00) | (5.34) |
| Others | 511.54 | 829.08 |
| Total | 887.87 | 1,091.93 |

Note 28 : Current borrowings

| Particulars | As at | As at |
|--|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Secured | | |
| Term loan from banks | 4,137.78 | - |
| Working capital Loans from Banks | - | 1,530.28 |
| | 4,137.78 | 1,530.28 |
| Unsecured | | |
| Loan from financial credit institutions* | 6,703.47 | 5,657.46 |
| Loan and advances from others** | 116.07 | 111.40 |
| | 6,819.54 | 5,768.86 |
| Total | 10,957.32 | 7,299.14 |

*The International Foam Technologies Spain has taken discounting and foreign trade facilities to meet day to day working capital requirement with interest rate for these facilities ranging from 0.70% & to 1.35%.

**Loan and advances from others carries interest charged equates to the lender's cost of borrowing plus a margin that does not exceed the cost charged by the Bank.



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(in Indian Rupees (Lakhs), unless otherwise stated)
Note 29 : Trade payables

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Trade payables other than acceptances: | | |
| (i) Total outstanding dues of micro enterprises and small enterprises (refer note 56) | 506.29 | 1,168.31 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 29,625.31 | 31,844.25 |
| Total | 30,131.60 | 33,012.56 |

Note:
a. Trade payables are non interest bearing and are normally settled on 60 days to 90 days credit terms.
b. Ageing Analysis for Trade payable

As on March 31, 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|------------------|------------------|-------------|-------------|-------------------|------------------|
| | Unbilled Dues | Payables not due | Less than 1 Year | 1-2 years | 2-3 years | more than 3 years | |
| (i) MSME | - | 505.27 | 1.02 | - | - | - | 506.29 |
| (ii) Others | 6,453.69 | 17,542.68 | 5,624.77 | 0.68 | 3.49 | - | 29,625.31 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total | 6,453.69 | 18,047.95 | 5,625.79 | 0.68 | 3.49 | - | 30,131.60 |

As on March 31, 2021

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|------------------|------------------|--------------|-----------|-------------------|------------------|
| | Unbilled Dues | Payables not due | Less than 1 year | 1-2 years | 2-3 years | more than 3 years | |
| (i) MSME | - | 1,168.31 | - | - | - | - | 1,168.31 |
| (ii) Others | 8,178.03 | 19,709.33 | 3,936.15 | 20.74 | - | - | 31,844.25 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total | 8,178.03 | 20,877.64 | 3,936.15 | 20.74 | - | - | 33,012.56 |

Note 30 : Other current financial liabilities

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------------|-------------------------|-------------------------|
| Deposits from dealers and others | 3,896.74 | 3,400.95 |
| Bank overdraft | 26.77 | - |
| Creditors for capital goods | 406.28 | 264.54 |
| Unearned Interest Income | 63.99 | 142.85 |
| Other liabilities | 37.89 | 1,493.74 |
| Unearned Rent Income | 6.87 | 9.52 |
| Total | 4,538.64 | 5,311.60 |

Note 31 : Current tax liabilities (net)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Provision for income tax (Net of advance tax Rs. Nil) March 31, 2021 :Rs.28,512.20 Lacs) | - | 453.68 |
| Total | - | 453.68 |

Note 32 : Other current liabilities

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------|-------------------------|-------------------------|
| Refund liabilities | 285.82 | - |
| Deferred capital grant income | 2.82 | 2.83 |
| Contract Liabilities* | 5,586.71 | 5,491.66 |
| Statutory dues payable | 1,813.70 | 1,895.24 |
| Total | 7,679.05 | 7,390.73 |

*Consist of advances received from customers towards supply of products.



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Note 33 : Revenue from operations

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Sale of products (refer note below) | 2,97,378.17 | 2,43,375.83 |
| Sale of services | 610.08 | 183.47 |
| | <u>2,97,988.25</u> | <u>2,43,559.30</u> |
| Other operating revenue | | |
| -Job Work Services | 4.25 | - |
| -Roadtop incentive scheme | 10.70 | - |
| -Income from sale of process scrap | 177.64 | 159.92 |
| Total | <u>2,98,180.64</u> | <u>2,43,719.22</u> |

Note 33.1 : Disaggregated revenue information

Set out below is the disaggregation of the group's revenue from contracts with customers

| Segment | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Geographical Revenue | | |
| Type of goods | | |
| Revenue from external customers | 2,97,378.17 | 2,43,375.83 |
| Total revenue from contracts with customers | | |
| India | 2,06,624.30 | 1,66,780.00 |
| Outside India | 90,753.87 | 76,595.83 |
| | <u>2,97,378.17</u> | <u>2,43,375.83</u> |
| Type of services (IT Support Services) | | |
| Revenue from external customers | 610.08 | 183.47 |
| Total revenue from contracts with customers | | |
| India | 297.64 | 183.47 |
| Outside India | 312.44 | - |
| | <u>610.08</u> | <u>183.47</u> |
| Total revenue from contracts with customers | <u>2,97,988.25</u> | <u>2,43,559.30</u> |

Note 33.2 : Contract balances : Movement in contract balances during the year

| Particulars | For the year ended March 31, 2022 |
|--|--------------------------------------|
| Opening Balances | 5,491.66 |
| Less: Revenue recognised during the year | 73,702.14 |
| Add: Amount of consideration received during the year (net of adjustments) | 73,597.09 |
| Closing Balances | 5,596.71 |

Note:

a. Contract liabilities consist of advances received from customers towards supply of products

Note 33.3 : Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Revenue as per contracted price (goods and services) | 3,04,730.30 | 2,49,963.36 |
| Less: Adjustments | | |
| Sales return | 2,304.16 | 2,649.95 |
| Rebate and discount | 4,437.87 | 3,754.11 |
| Revenue from contracts with customers | <u>2,97,988.25</u> | <u>2,43,559.30</u> |

Note 33.4 : Performance obligations

The performance obligation for sale of product is satisfied upon on dispatch and payment is generally due within 0 to 45 days from delivery.
The performance obligation for sale of services is satisfied over the period of time as per contract with customers



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Note 34 : Other Income

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Interest income from: | | |
| -Bank deposits | 7.67 | 21.10 |
| -Bonds | 3,713.11 | 1,041.83 |
| Intra corporate deposit | 45.00 | 48.00 |
| Others | 3.62 | 264.84 |
| Rental income (refer note (a) below) | | |
| -Investment & Other properties | 1,138.54 | 843.42 |
| -Containers | 33.21 | - |
| Gain on sale/disposal of fixed assets | - | 51.93 |
| Liabilities/provisions no longer required written back | 59.43 | 19.05 |
| Income from sale of Investments (Mutual funds & Bonds) | 1,228.48 | 1,688.03 |
| Fair valuation adjustments of Investments designated as FVTPL (refer note b) | 13.77 | 386.86 |
| Grant Income | 134.70 | - |
| Investment Subsidy received | 2.84 | 2.83 |
| Sale of non-process scrap | 578.69 | 378.22 |
| Net gain on foreign currency transactions and translations | 749.67 | 409.59 |
| Other miscellaneous income | 207.59 | 88.60 |
| Total | 7,816.32 | 5,024.30 |

Note:

- a. Includes rental income of Rs.214.73 lakhs (March 31,2021: Rs.188.86 lakhs) from investment property (refer note 5).
b. FVTPL of Investments represent fair valuation changes in mutual funds which includes dividend declared and not distributed (distributed based on record dates) as at reporting dates which have not been recognised in financial statements.

Note 35 : Cost of materials consumed

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Raw material | | |
| Opening inventory | 16,296.05 | 9,520.31 |
| Add: Purchases | 1,79,834.17 | 1,40,205.60 |
| Less: Sales/adjustments | 4,445.35 | 2,835.00 |
| Less: Closing inventory | 18,393.37 | 16,296.05 |
| (including goods in transit of Rs.2,975.91 (March 31, 2021: Rs 4,090.40) | | |
| Raw material consumed | 1,72,291.50 | 1,30,594.86 |
| Packing Material | | |
| Opening inventory | 648.24 | 572.55 |
| Add: Purchases | 8,570.16 | 7,732.55 |
| Less: Sales/adjustments | 765.08 | 567.49 |
| Less: Closing inventory | 894.79 | 648.24 |
| (including goods in transit of Rs.54.88 (March 31, 2021: Rs 14.30) | | |
| Packing material consumed | 7,558.53 | 7,089.37 |
| Cost of material consumed | 1,79,850.03 | 1,37,684.23 |

Note 36 : Purchase of stock in trade

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Traded Goods -Bed sheets/comforters/PU foam/spring/coir mattresses | 5,353.84 | 1,799.48 |
| Total | 5,353.84 | 1,799.48 |

Note 37 : Other manufacturing expenses

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|------------------------------|--------------------------------------|--------------------------------------|
| Power and fuel | 1,568.18 | 1,261.62 |
| Repair and maintenance: | | |
| - Buildings | 173.56 | 256.25 |
| - Plant and equipment | 1,900.41 | 1,645.42 |
| Processing and other charges | 2,586.54 | 1,798.90 |
| Total | 6,228.69 | 4,962.19 |



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Sheela Foam Limited
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Note 38 : Changes in Inventories of finished goods, Stock in Trade and work in progress

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Closing stock: | | |
| Finished goods | 4,016.91 | 3,017.25 |
| Stock in trade | 840.21 | 138.23 |
| Work-in-progress | 5,331.22 | 6,221.22 |
| Right to recover return goods | 166.14 | - |
| | <u>10,354.48</u> | <u>9,376.70</u> |
| Opening stock: | | |
| Finished goods | 3,017.25 | 3,453.05 |
| Stock in trade | 138.23 | 710.34 |
| Work-in-progress | 6,221.22 | 4,612.86 |
| Right to recover return goods | - | - |
| | <u>9,376.70</u> | <u>8,776.25</u> |
| Changes in Inventories of finished goods, Stock in Trade and work in progress | (977.78) | (600.45) |

Note 39 : Employee benefits expense

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Salaries, wages, allowance, and other benefits | 22,923.46 | 20,366.80 |
| Contribution to gratuity (refer note 44) | 185.39 | 266.30 |
| Contribution to provident and other funds | 1,405.60 | 1,248.32 |
| Workmen and staff welfare | 1,254.37 | 1,268.99 |
| Total | 25,768.82 | 23,170.41 |

Note 40 : Finance costs

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---------------------------|--------------------------------------|--------------------------------------|
| Interest expense: | | |
| -On borrowings from banks | 285.88 | 333.84 |
| - Security deposits | 523.06 | 757.82 |
| -On lease liabilities | 557.25 | 422.88 |
| -Others | 131.68 | 58.18 |
| Bank Charges | 189.44 | 195.45 |
| Total | 1,687.31 | 1,768.27 |

Note 41 : Depreciation and amortisation expense

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Depreciation of property, plant and equipment (Refer Note 3) | 4,835.17 | 4,736.01 |
| Amortisation of intangible assets (Refer Note 4) | 0.14 | 1.46 |
| Depreciation on right-of-use assets (Refer Note 5) | 2,954.06 | 2,248.42 |
| Depreciation on investment property (Refer note 6) | 288.36 | 300.83 |
| Total | 8,077.73 | 7,286.72 |



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Note 42 : Other expenses

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Repair and maintenance others | 1,007.08 | 785.16 |
| Bad debts | 15.16 | 69.88 |
| Provision for doubtful receivables | 5.07 | 207.38 |
| Advances/Balances written off | 34.18 | 59.67 |
| Freight and forwarding | 12,900.42 | 11,301.23 |
| Rent and hire | 618.98 | 528.42 |
| Insurance | 1,239.60 | 1,063.98 |
| Rates and taxes | 356.59 | 281.68 |
| Legal and professional | 1,323.07 | 658.68 |
| Investment written off | - | 1.02 |
| Selling and promotion | 19,281.01 | 15,699.58 |
| Travelling and conveyance | 944.43 | 747.78 |
| Sales commission | 118.98 | - |
| Warranty | 870.42 | 498.57 |
| Advertisement | 7,044.42 | 5,221.62 |
| Property, Plant & Equipment written off | - | 13.26 |
| Contributions towards CSR (refer note 57) | 457.53 | 489.55 |
| Fair value loss for Investments designated as FVTPL | 382.97 | - |
| Loss on sale of fixed assets | 28.16 | - |
| Miscellaneous | 3,734.57 | 2,662.46 |
| Total | 50,462.64 | 40,288.12 |

Note 42.1 : Auditor's remuneration included in legal and professional charges (excluding GST)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Statutory audit (including limited review)* | 41.00 | 29.54 |
| Certification* | 2.00 | 3.54 |
| Out of pocket expenses* | 1.00 | 0.75 |
| Total | 44.00 | 33.83 |

Includes Rs. 5.43 lakhs (Previous Year: Rs.33.83 lakhs) paid to erstwhile auditors.

Note 43. Earnings per share

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Profit for the year attributable to Equity shareholders | 21,872.80 | 24,015.17 |
| Earnings used in the calculation of basic earnings per share from continuing operations | 21,872.80 | 24,015.17 |
| Earnings used in the calculation of diluted earnings per share from continuing operations | 21,872.80 | 24,015.17 |

| Particulars | For the year ended March 31, 2022 (Numbers in lakhs) | For the year ended March 31, 2021 (Numbers in lakhs) |
|---|--|--|
| Weighted average number of equity shares for the purposes of basic and diluted earnings per share | 487.83 | 487.83 |

| Particulars | For the year ended March 31, 2022 (Rs. per share) | For the year ended March 31, 2021 (Rs. per share) |
|--------------------------------------|---|---|
| Basic and diluted earnings per share | 44.84 | 49.23 |



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Note 44 : Employee benefits (In respect of companies incorporated in India)

A. Defined contribution plans

Employees are covered by Provident Fund and Employees State Insurance Scheme/Fund and National Pension Scheme, to which makes a defined contribution measured as a fixed percentage of salary. During the year, amount of Rs. 696.42 lakhs (Previous Year: Rs.642.63 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Employer's contribution towards Provident Fund(PF) | 605.11 | 556.00 |
| Employer's contribution towards Employees State Insurance (ESI) | 56.49 | 54.81 |
| Employer's contribution towards National Pension Scheme (NPS) | 34.82 | 31.72 |
| Total | 696.42 | 642.63 |

B. Long Term Benefit

Long service award

Payable to the eligible employees as retention earned leave, after completion of service of five years, which can be en-cashed or accumulated till retirement. During the year amount of Rs. 146.01 lakhs (Previous Year: Rs. 121.89 lakhs) has been charged to the Statement of Profit and Loss towards the said benefit.

C. Defined benefit plans

Gratuity

The employees' gratuity fund scheme, which is a defined benefit plan, is managed by a trust with effect from 2019 is being maintained by Sheela Foam Employees gratuity trust. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure on 15 days of last drawn salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Discount rate | 7.51% | 7.08% |
| Future salary increase/salary escalation | 7.00% | 5.00% |
| Retirement age (years) | 60 | 60 |
| <i>Employee turnover</i> | | |
| 18 to 30 years | 3.00% | 3.00% |
| From 31 to 45 years | 2.00% | 2.00% |
| Above 45 years | 1.00% | 1.00% |

Notes:

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- Information given for retirement age is based on India's standard mortality table with modification to reflect expected changes in mortality/ others.

Quantitative sensitivity analysis for significant assumptions as at March 31 2022 is shown below:

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Increase / (decrease) on present value of defined benefits obligations at the end of the year | | |
| Discount rate | | |
| Increase by 1.00% | (284.20) | (204.26) |
| Decrease by 1.00% | 331.38 | 241.28 |
| Salary increase | | |
| Increase by 1.00% | 329.76 | 243.96 |
| Decrease by 1.00% | (288.20) | (209.82) |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss, Other Comprehensive Income and the funded status and amounts recognised in the Balance Sheet for the gratuity plan. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.



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Expense recognised in Statement of Profit and Loss and Other Comprehensive Income:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Service cost: | | |
| Current service cost | 178.11 | 238.98 |
| Net interest expense | 7.28 | 27.31 |
| Components of defined benefit costs recognised in profit or loss | 185.39 | 266.29 |
| Remeasurement on the net defined benefit liability: | | |
| Actuarial losses/(gains) arising from changes in financial assumptions | 431.36 | (66.04) |
| Actuarial (gains) / losses arising from experience adjustments | (11.05) | (159.56) |
| Return on Plan Asset (Excluding Interest) | 5.37 | (16.29) |
| Components of defined benefit costs recognised in other comprehensive income | 425.68 | (241.89) |
| Total | 611.07 | 24.40 |

The current service cost and the net interest expense for the year are included in the 'Employee benefit expenses' line item in the Statement of Profit and Loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Present value of funded defined benefit obligation | 2,545.09 | 1,874.94 |
| Fair value of plan assets | (1,838.54) | (1,850.52) |
| Net liability arising from defined benefit obligation | 706.55 | 24.42 |

Movements in the present value of the defined benefit obligation are as follows:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Opening defined benefit obligation | 1,874.94 | 1,891.61 |
| Current service cost | 178.11 | 238.98 |
| Interest cost | 132.73 | 128.25 |
| Remeasurement (gains)/losses: | | |
| Actuarial losses and (gains) arising from changes in demographic assumptions | | |
| Actuarial losses and (gains) arising from changes in financial assumptions | 433.18 | (66.04) |
| Actuarial losses and (gains) arising from experience adjustments | (12.87) | (159.56) |
| Acquisition /Business Combination / Divestiture | 18.42 | - |
| Benefits paid | (79.42) | (158.30) |
| Closing defined benefit obligation | 2,545.09 | 1,874.94 |

Change in plan assets are as follows:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Opening fair value of plan assets | 1,850.52 | 1,488.68 |
| Return on plan assets | 125.46 | 100.93 |
| Fund management charges | - | - |
| Employer contribution | 5.00 | 402.95 |
| Actuarial loss/(gain) on Asset | 5.37 | (16.29) |
| Benefits paid | (147.81) | (125.73) |
| Closing fair value of plan assets | 1,838.54 | 1,850.54 |

The major categories of plan assets:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|-------------------------|--------------------------------------|--------------------------------------|
| Fund managed by insurer | 1,838.54 | 1,850.54 |
| Total | 1,838.54 | 1,850.54 |

Maturity profile of gratuity liability is as follows:

| Year | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|----------------|--------------------------------------|--------------------------------------|
| 0 to 1 year | 54.03 | 65.01 |
| 1 to 2 Year | 45.55 | 82.84 |
| 2 to 3 Year | 57.27 | 44.28 |
| 3 to 4 Year | 117.36 | 71.05 |
| 4 to 5 Year | 154.36 | 98.56 |
| 5 Year onwards | 2,116.52 | 1,513.20 |

Expected contribution to the fund in next year.

823.87



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Note 45 : Related party transactions

(A) Names of related parties and nature of relationship are given below :

| Relationship | Name of the party |
|--|--|
| a. Entities in which Key Management Personnel or their Relatives have significance influence | Rangoli Resorts Pvt. Ltd. Core Moulding Pvt. Ltd. Sleepwell Foundation (Trust) |
| b. Key management personnel | Mr. Rahul Gautam (Managing Director) Mr. Rakesh Chahar (Wholetime Director) Mrs. Namita Gautam (Wholetime Director) Mr. Tushaar Gautam (Wholetime Director) |

(B) Transactions during the year

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| (i) Sale of material/ capital goods | | |
| Related entities | | |
| Sleepwell Foundation (Trust) | 0.36 | 0.33 |
| | <u>0.36</u> | <u>0.33</u> |
| (ii) Key management personnel | | |
| Compensation of Key management personnel | | |
| Short-term Employee Benefits | 1,107.55 | 1,025.44 |
| Post Employment Benefits | 13.56 | 12.97 |
| | <u>1,121.11</u> | <u>1,038.41</u> |
| (iii) Contributions for CSR expenses | | |
| Sleepwell Foundation (Trust) | 315.00 | 325.00 |
| | <u>315.00</u> | <u>325.00</u> |

(C) Balances outstanding at the end of the reporting period

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Post employee benefit plan for the benefitted employees | | |
| SFL Employee Gratuity Trust | 621.54 | (29.52) |



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Note 46 : Disclosures as per Ind AS 116 'Leases'

(A) group as lessee

(i) The group's significant leasing arrangements are in respect of the following assets:

(a). The group has lease of land and buildings for offices, warehouses and service centres. Right of Use Assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The lease terms for leasehold buildings ranges between 3 years to 9 years.

(ii) The carrying amounts of lease liabilities and the movements during the year:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| As at April 1, 2021 | 12,660.24 | 9,832.70 |
| Additions | 2,490.86 | 3,395.55 |
| Accretion of interest | 557.25 | 422.88 |
| Deletion | (3,037.51) | (790.89) |
| Closing liability as at March 31, 2022 | 12,670.97 | 12,860.24 |
| Current | 2,306.18 | 2,005.17 |
| Non current | 10,564.79 | 10,855.07 |
| | 12,670.97 | 12,860.24 |

(iii) Maturity analysis of the lease liabilities:

| Contractual undiscounted cash flows | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| 3 months or less | 765.50 | - |
| 3-12 months | 2,380.51 | 2,411.02 |
| 1-2 years | 2,335.75 | 2,394.98 |
| 2-5 years | 4,408.38 | 3,943.72 |
| More than 5 years | 7,906.67 | 8,114.48 |
| Total undiscounted lease liability | 17,794.81 | 16,804.20 |
| Less: Impact of discounting and other adjustments | 4,923.84 | 3,943.96 |
| Lease liability as at March 31, 2022 | 12,670.97 | 12,860.24 |

(iv) The following are the amounts recognised in the Statement of Profit and Loss:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Finance cost | 557.25 | 422.88 |
| Depreciation and amortisation expense | 2,954.06 | 2,248.42 |
| Expenses relating to short term leases | 616.98 | 528.42 |

(v) The following are the amounts disclosed in the Statement of Cash Flows:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--------------------------|--------------------------------------|--------------------------------------|
| Cash outflow from leases | 2,445.30 | 2,586.06 |

(B) Group as lessor

(i) The holding company has entered into lease agreements to lease the following properties which have been treated as "Investment Property".

| | |
|--|---|
| Land & Factory Building situated at Sikkim | The lease agreement was executed on 1 st December, 2016. The said lease is for a term of 10 years with a clause to enable upward revision of the rental charge after every 3 years. The total rent recognized as income during the year is Rs. 158.40 lakhs (Previous year: Rs. 153.12 lakhs). |
| Residential Flat situated at Greater Noida | The lease agreement was executed w.e.f. 15 th September, 2018. The said lease was initially for a term of 11 months with a clause of subsequent renewal by mutual consent and the same being ongoing renewed. The total rent recognized as income during the year is Rs. 7.20 lakhs (Previous year: Rs. 7.08 lakhs). |
| Land & Factory Building situated at Silvassa | The lease agreement was executed w.e.f. 31st August, 2020. The said lease is for an initial period of 3 years with a clause of automatically renewal for year-on-year basis until receive termination from party. Lease rent will be increased by 5% if both parties agreed on year-on-year basis. The total rent recognized as income during the year is Rs. 49.13 lakhs (Previous year: 28.66 lakhs). |



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Note 47 : Fair values of Financial Assets and Financial Liabilities

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The group has disclosed financial instruments such as trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.

2. Financial instruments with fixed and variable interest rates are evaluated by the group based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

Note 48 : Fair value hierarchy

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2022:

Fair Value measurement hierarchy of Assets:

| Particulars | Date of Valuation | Total | Fair value measurement using | | |
|---|-------------------|-----------------|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial Assets measured at fair value through profit and loss | | | | | |
| Other Investments | March 31, 2022 | 13,919.86 | 8,913.05 | - | 5,006.80 |
| Financial Assets measured at fair value through other comprehensive income | | | | | |
| Other Investments | March 31, 2022 | 47,876.02 | - | 47,876.02 | - |
| Financial Assets measured at amortized cost | | | | | |
| Other Investments | | 25.95 | - | - | 25.95 |
| Loans | | 563.54 | - | - | 563.54 |
| Trade receivables | | 28,504.18 | - | - | 28,504.18 |
| Cash and cash equivalents | March 31, 2022 | 4,081.28 | - | - | 4,081.28 |
| Bank balances other than cash and cash equivalents | | 31.58 | - | - | 31.58 |
| Other financial assets | | 3,091.03 | - | - | 3,091.03 |
| Assets for which Fair Values are disclosed: | | | March 31, 2022 | | March 31, 2021 |
| Investment Property | | | 5,817.11 | | 5,905.47 |

Fair Value measurement hierarchy of Liabilities:

| Particulars | Date of Valuation | Total | Fair value measurement using | | |
|---|-------------------|-----------------|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial liabilities measured at amortized cost | | | | | |
| Borrowings | | 33,775.50 | - | - | 33,775.50 |
| Lease liabilities | | 12,870.97 | - | - | 12,870.97 |
| Trade payables | March 31, 2022 | 30,131.60 | - | - | 30,131.60 |
| Other financial liabilities | | 9,572.72 | - | - | 9,572.72 |

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2021:

Fair Value measurement hierarchy of Assets:

| Particulars | Date of Valuation | Total | Fair value measurement using | | |
|---|-------------------|-----------------|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial Assets measured at fair value through profit and loss | | | | | |
| Other Investments | March 31, 2021 | 7,488.71 | 7,488.71 | - | - |
| Financial Assets measured at fair value through other comprehensive income | | | | | |
| Other Investments | March 31, 2021 | 33,572.09 | - | 33,572.09 | - |
| Financial Assets measured at amortized cost | | | | | |
| Other Investments | | 0.35 | - | - | 0.35 |
| Loans | | 571.15 | - | - | 571.15 |
| Trade receivables | | 30,215.33 | - | - | 30,215.33 |
| Cash and cash equivalents | March 31, 2021 | 5,736.31 | - | - | 5,736.31 |
| Bank balances other than cash and cash equivalents | | 72.78 | - | - | 72.78 |
| Other financial assets | | 1,211.48 | - | - | - |



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Fair Value measurement hierarchy of Liabilities:

| Particulars | Date of Valuation | Total | Fair value measurement using | | |
|---|-------------------|-----------|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial liabilities measured at amortized cost | | | | | |
| Borrowings | | 20,562.62 | - | - | 20,562.62 |
| Lease liabilities | | 12,860.24 | - | - | 12,860.24 |
| Trade payables | March 31, 2021 | 33,012.56 | - | - | 33,012.56 |
| Other financial liabilities | | 10,329.73 | - | - | 10,329.73 |

Note 49 : Financial risk management objectives and policies

The group's principal financial liabilities comprises of Borrowings , Lease Liabilities, deposits from dealers, trade and other payables. The main purpose of these financial liabilities is to finance the group's operations. The group's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations

The group's financial risk management is an integral part of how to plan and execute its business strategies. The group is exposed to market risk, credit risk and liquidity risk.

The group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the group are accountable to the Board of Directors and Audit Committee. This process provides assurance to group's senior management that the group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with group policies and group risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include deposits from dealers, investments and foreign currency receivables and payables.

The sensitivity analysis in the following sections relate to the position as at 31 March 2022 and 31 March 2021.

The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2022 and March 31, 2021.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group's exposure to the risk of changes in foreign exchange rates relates primarily to the group's operating activities (when revenue or expense is denominated in foreign currency). The group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. The group is exposed to foreign currencies such as "USD", "AED", "GBP", "NZD" and "EURO".

The carrying amount of the foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

| Particulars | Currency | As at | |
|-----------------------------------|----------|-------------------|-----------------|
| | | March 31, 2022 | March 31, 2021 |
| Financial assets: | | | |
| Trade receivables | USD | 778.46 | (77.15) |
| Vendor advances | USD | 104.57 | 269.96 |
| Vendor advances | EURO | 0.12 | 39.86 |
| Vendor advances | GBP | - | 356.05 |
| Capital advances | GBP | 1,764.25 | - |
| Capital advances | USD | 1,432.19 | 31.79 |
| Bank balances | USD | 288.87 | 355.74 |
| Bank balances | AED | 0.11 | - |
| Financial liabilities: | | | |
| Trade payables | USD | (2,030.66) | (1,207.62) |
| Trade payables | EURO | (79.48) | (208.84) |
| Trade payables | GBP | (19.28) | (6.20) |
| Trade payables | NZD | (127.14) | (82.83) |
| Customer advances | USD | (147.84) | (85.99) |
| Term loan | USD | (7,247.32) | - |
| Net assets / (liabilities) | | (5,303.15) | (371.01) |

Foreign currency sensitivity analysis

The group is mainly exposed to USD, EURO, GBP and NZD . The following table demonstrate the sensitivity to a reasonably possible change in respective exchange rates, with all other variables held constant.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for sensitivity change in foreign currency rates. A positive number below indicates an increase in profit or equity and vice-versa.

Foreign currency sensitivity

| Currency | % | As at | |
|----------|-----|----------------|----------------|
| | | March 31, 2022 | March 31, 2021 |
| USD | 2% | 267.91 | 34.22 |
| | -2% | (267.91) | (34.22) |
| EURO | 3% | 79.59 | 12.14 |
| | -3% | (79.59) | (12.14) |
| GBP | 2% | 37.96 | 18.20 |
| | -2% | (37.96) | (18.20) |
| NZD | 5% | 8.36 | - |
| | -5% | (8.36) | - |



Sheela Foam Limited
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(in Indian Rupees (Lakhs), unless otherwise stated)

(I) Interest risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Group's financial liabilities comprises mainly of interest-bearing (USD , AUD & EURO) project term loans. The Group exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

However, USD, AUD & EURO term loans are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

Exposure towards INR term loan is very small and management intends to repay same from operating cash flows in case of high fluctuations in interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

(III) Commodity price risk

The group is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of bedding articles, home comfort products, furniture cushioning and specialized foam and therefore require a continuous supply of raw materials i.e. TDI and Polyol being the major input used in the manufacturing. Due to the significantly increased volatility of the prices of the TDI and Polyol, the group has entered into various purchase contracts for these material for which there is an active market. The group's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The group partly mitigated the risk of price volatility by entering into the contract for the purchase of these material and further the group increases prices of its products as and when appropriate to minimize the impact of increase in raw material prices.

b) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating review and individual credit limits are defined in accordance with this assessment. The group regularly monitors its outstanding customer receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The group does not hold collateral as security. The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(II) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the group's finance department in accordance with the group's policy. Investments of surplus

The group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2022 and March 31, 2021 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the group.

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Non-current assets | | |
| - Other Investments | 52,883.17 | 30,359.99 |
| - Loans | 8.47 | 15.91 |
| - Other non-current financial assets | 453.61 | 518.69 |
| Current assets | | |
| - Other Investments | 8,938.05 | 10,701.16 |
| - Trade receivables | 28,504.18 | 30,215.33 |
| - Cash and cash equivalents | 4,081.28 | 5,736.31 |
| - Bank balances other than cash and cash equivalents | 31.58 | 73.78 |
| - Loans | 555.07 | 555.24 |
| - Other current financial asset | 2,637.42 | 892.79 |
| Total | 98,092.83 | 78,869.20 |

(c) Liquidity risk

Liquidity risk is defined as the risk that the group will not be able to settle or meet its obligations on time or at reasonable price. The group's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short-term bank deposits, short term investments and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the group's liquidity position through rolling forecasts on the basis of expected cash flows. The group assessed the concentration of risk with respect to its debt and concluded it to be very low



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The table below summarises the maturity profile of the group's financial liabilities based on contractual undiscounted payments

| Particulars | Less than 1 Year | More than 1 Year | Total |
|----------------------------------|------------------|------------------|------------------|
| Year ended March 31, 2022 | | | |
| Trade payables | 30,131.59 | - | 30,131.59 |
| Other financial liabilities | 4,536.64 | 5,034.08 | 9,572.72 |
| Borrowings | 10,857.32 | 22,818.18 | 33,775.50 |
| Lease Liability | 2,305.18 | 10,564.79 | 12,870.97 |
| | <u>47,933.73</u> | <u>38,417.05</u> | <u>86,350.78</u> |
| Year ended March 31, 2021 | | | |
| Trade payables | 33,012.56 | - | 33,012.56 |
| Other financial liabilities | 5,311.60 | 5,018.13 | 10,329.73 |
| Borrowings | 7,298.14 | 13,263.48 | 20,562.62 |
| Lease Liability | 2,005.17 | 10,855.07 | 12,860.24 |
| | <u>47,628.47</u> | <u>29,136.68</u> | <u>76,765.15</u> |

Note 50: Capital management

For the purpose of the group's capital management, capital includes issued equity capital, convertible preference shares and all other equity reserves attributable to the equity holders. The primary objective of the group's capital management is to maximize the shareholder value and to ensure the group's ability to continue as a going concern.

The group has not distributed any dividend to its shareholders. The group monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing & current borrowings from banks & financial institutions. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

| Particulars | | As at | As at |
|---------------------------------|--------------------|--------------------|--------------------|
| | | March 31, 2022 | March 31, 2021 |
| Equity | | 2,439.14 | 2,439.14 |
| Other Equity | | <u>1,37,580.81</u> | <u>1,16,861.76</u> |
| Total equity | (i) | 1,40,019.95 | 1,19,320.90 |
| Borrowings | | 33,775.50 | 20,562.62 |
| Less: cash and cash equivalents | | <u>4,081.28</u> | <u>5,736.31</u> |
| Total debt | (ii) | 29,694.22 | 14,826.31 |
| Overall financing | (iii) = (i) + (ii) | 1,69,714.17 | 1,34,147.21 |
| Gearing ratio | (ii) / (iii) | 0.17 | 0.11 |

No changes were made in the objectives, policies or processes for managing capital during the period ended March 31, 2022



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Note 51 : Commitments for expenditure

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of Rs. 720.89 lacs & March 31, 2021: Rs. 225.12 lacs) | 9,078.19 | 3,454.69 |
| | 9,078.19 | 3,454.69 |

Note 52 : Contingent liabilities

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| (a) Claims against the holding company not acknowledged as debt (refer note below) | | |
| Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards | | |
| - Sales tax | 480.99 | 888.28 |
| - Entry tax | 194.11 | 165.24 |
| - Income tax | 439.12 | 447.57 |
| - Excise Duty | 410.57 | 380.46 |
| (b) Guarantees given by the Bankers on behalf of the group to third parties | 56.19 | 43.04 |
| (c) Other money for which the group is contingently liable | 75.00 | 75.00 |

Note:

The group is contesting these demands and the management including its advisers are of the view that these demands may not be sustainable at the appellate level. The management believes that the ultimate outcome of these proceedings will not have any material adverse effect on the holding company's financial position and results of operations. The holding company does not expect any reimbursement in respect of these contingent liabilities, and it is not practicable to estimate the timing of cash outflows, if any, in respect of these matters, pending resolution of the appellate proceedings.

NOTE 53 : Asset Pledged as Security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

| | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Current Asset | | |
| Inventories | 5,776.56 | - |
| Trade receivables | 6,252.66 | - |
| Other current assets | 2,452.68 | - |
| | 14,481.90 | - |
| Non-Current assets | | |
| Leasehold land | 1,362.29 | 907.34 |
| Property, plant and equipment | 16,865.29 | 7,571.60 |
| Capital work in progress | 11,756.50 | - |
| Intangible Assets | 33.67 | - |
| | 30,017.75 | 8,478.94 |
| Total Assets pledged as security | 44,499.65 | 8,478.94 |

Note based on the terms and conditions written on sanction letters by bank

1. Term loan with JP Morgan & Kotak Mahindra Bank in International Comfort Technologies Private Limited has been secured by hypothecation of first charge on entire fixed assets (Movable fixed assets and immovable fixed assets & corporate guarantee provided by Holding Company

2. Euro Term Loan with Citi Bank Spain in International Comfort Technologies Spain having exclusive charge on owned fixed assets (moveable and immovable) in holding company at manufacturing plant located at Jalpaiguri, West Bengal , Sahibabad , U.P , Rajpura , Punjab and Erode , Tamil Nadu

3 AUD Term Loan with Citi Bank Australia in Joyce Foam Pty Limited having fixed charge over present & future interest in Non -Disposable Property (Which include both Movable & Immovable property) & floating charge on all other assets which does not subject to fixed charge .



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Note 54 : Segment Information

Operating segment information

The group is engaged in the manufacturing of the products of same type/class and has no overseas operations/units and as such there is no reportable segment as per Indian Accounting Standard (Ind AS-108) dealing with the operating segments.

Geographical information

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Revenue from external customer | | |
| Sale of products & services | | |
| Within India | 2,05,921.94 | 1,66,963.46 |
| Outside India | 91,066.31 | 76,595.83 |
| Total revenue | 2,97,988.25 | 2,43,559.29 |
| Assets | | |
| Within India | 1,51,114.94 | 1,22,817.80 |
| Outside India | 86,130.07 | 84,119.09 |
| Total assets | 2,37,245.01 | 2,06,935.89 |
| Liabilities | | |
| Within India | 36,373.04 | 40,847.94 |
| Outside India | 60,852.02 | 46,767.00 |
| Total Liabilities | 97,225.06 | 87,614.94 |

The revenue information is based on location of customer.

Non-current operating assets

The group has common non-current operating assets for domestic as well as overseas market. Hence, separate figures for these assets are not required to be furnished.

Note 55 : Transfer pricing (In respect of companies incorporated in India)

The group has appointed an independent consultant for conducting a Transfer Pricing Study to determine whether the transactions with associate enterprises undertaken during the financial year are on an "arm's length basis". The Transfer Pricing study under the Income Tax Act, 1961 in respect of transaction with the associated enterprises for the financial year ended March 31, 2022 is not yet complete. Adjustments, if any, arising from Transfer Pricing study shall be accounted for as and when the study is completed. The management confirms that all International transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms. During the current year, the Transfer Pricing certificate under section 92E of Income Tax Act, 1961 for the year ended March 31, 2021 has been obtained and there are no adverse comments requiring adjustments.

Note 56 : Exposure towards Micro, Small and Medium Enterprises (In respect of companies incorporated in India)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| I The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information are as under: | | |
| (i) The principal amount and the interest due thereon remaining unpaid to any supplier. | | |
| Principal amount: | 506.29 | 1,168.31 |
| Interest: | - | - |
| (ii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day for the year ending. | - | - |
| (iii) The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year). | - | - |
| (iv) The amount of interest accrued and remaining unpaid for the year ending. | - | - |
| (v) The amount of further interest remaining due and payable for the earlier years. | - | - |

The Information has been given in respect of such suppliers to the extent they could be identified as "Micro and Small" enterprises on the basis of information available. Further, the amount payable to these parties is not overdue hence no interest is required to be provided/accrued as at March 31, 2022 and March 31, 2021.

II The credit period for purchase of goods and services are normally up to 30 days. No interest is chargeable on trade payables.

Note 57 : Corporate social responsibility

As per provisions of Section 135 of the Companies Act, 2013, the holding company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects as per the Schedule VII of the Companies Act, 2013.

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| a) Gross amount required to be spent as per section 135 of the Act | 409.07 | 372.91 |
| Add: Amount Unspent from previous years | - | - |
| Total Gross amount required to be spent during the year | 409.07 | 372.91 |
| b) Amount approved by the Board to be spent during the year | 457.53 | 489.55 |
| c) Amount spent during the year on | | |
| (i) Construction/acquisition of an asset | - | - |
| (ii) On purposes other than (i) above | 457.53 | 489.55 |
| d) Details related to amount spent . | | |
| Contribution to Sleepwell Foundation Trust | 315.00 | 325.00 |
| Spent on Health Support , Promoting education including employment enhancing vocational skills. | 142.53 | 164.55 |
| | 457.53 | 489.55 |
| e) Details of CSR expenditure In respect of other than ongoing projects | | |
| Balance unspent as at opening | - | - |
| Amount deposited in Specified Fund of Schedule VII of the Act within 6 months | - | - |
| Amount required to be spent during the year | 457.53 | - |
| Amount spent during the year | 457.53 | - |
| Balance unspent as at closing | - | - |
| f) Corporate social responsibility expenses of holding company are managed by related party -Sleepwell foundation (refer note no. 45) | | |



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 Note 58 : Statutory group information

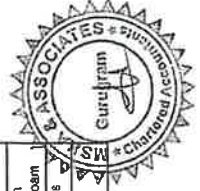
| Name of the entity in the group | Net Assets, i.e., total assets minus total liabilities | | Share in profit and loss | | Share in other Comprehensive income | | Share in total Comprehensive income | |
|--|--|--------------------|--------------------------------------|------------------|---|-----------------|---|------------------|
| | As % of consolidated net assets | INR | As % of consolidated profit and loss | INR | As % of consolidated other comprehensive income | INR | As % of consolidated total comprehensive income | INR |
| Parent | | | | | | | | |
| Sheela Foam Limited | 87% | 1,21,172.08 | 91% | 18,684.05 | 63% | -116.36 | 91% | 18767.69 |
| Balance as at 31 March, 2022 | 88% | 1,05,038.23 | 74% | 17,874.90 | 11% | 209.91 | 70% | 16084.89 |
| Balance as at 31 March, 2021 | | | | | | | | |
| Subsidiaries | | | | | | | | |
| Indian | | | | | | | | |
| 1 Duya Software Solutions Private Limited | | | | | | | | |
| Balance as at 31 March, 2022 | -1% | (1,131.10) | -2% | (390.48) | 0% | 0.00 | -2% | (390.48) |
| Balance as at 31 March, 2021 | -1% | (740.62) | -2% | (421.95) | 0% | 0.00 | -2% | (421.95) |
| 2 Sleepwell Enterprises Private Limited | | | | | | | | |
| Balance as at 31 March, 2022 | 0% | 207.32 | 0% | (28.55) | 0% | 0.00 | 0% | (28.55) |
| Balance as at 31 March, 2021 | 0% | 235.89 | 0% | 65.42 | 0% | 0.00 | 0% | 65.42 |
| 3 Slapp World Private Limited | | | | | | | | |
| Balance as at 31 March, 2022 | -1% | (600.03) | -5% | (1,156.72) | 12% | (22.28) | -5% | (1,179.00) |
| Balance as at 31 March, 2021 | 0% | 369.86 | 1% | 29.15 | 3% | 54.28 | 1% | 345.41 |
| 4 International Combit Technologies Private Limited | | | | | | | | |
| Balance as at 31 March, 2022 | 0% | (687.51) | -3% | (591.13) | -2% | 3.61 | -3% | (687.52) |
| Balance as at 31 March, 2021 | 0% | - | 0% | - | 0% | 0.00 | 0% | 0.00 |
| Foreign | | | | | | | | |
| 1 Joyce Foam Pty Limited | | | | | | | | |
| Balance as at 31 March, 2022 | 10% | 13,782.87 | 9% | 2,638.01 | 22% | (41.51) | 9% | 1966.50 |
| Balance as at 31 March, 2021 | 8% | 9,281.71 | 11% | 2,694.96 | 12% | 227.95 | 11% | 2922.91 |
| 2 International Foam Technologies Spain SLU | | | | | | | | |
| Balance as at 31 March, 2022 | 5% | 6,021.87 | 9% | 1,977.80 | 5% | (8.53) | 9% | 1960.27 |
| Balance as at 31 March, 2021 | 4% | 4,243.87 | 14% | 3,287.52 | 74% | 1388.98 | 18% | 4656.50 |
| Non-controlling interests in all subsidiaries | | | | | | | | |
| Balance as at 31 March, 2022 | 1% | 763.34 | 1% | 139.83 | 0% | 0.00 | 1% | 139.83 |
| Balance as at 31 March, 2021 | 1% | 891.86 | 1% | 243.09 | 0% | 0.00 | 1% | 243.07 |
| Total | 100% | 1,40,019.95 | 100% | 21,872.80 | 100% | (105.07) | 100% | 21,667.73 |
| Balance as at 31 March, 2021 | 100% | 1,19,350.90 | 100% | 24,015.17 | 100% | 1,691.10 | 100% | 25,896.27 |

Note 59 : Interest in other entities

Subsidiaries

The group's subsidiaries at 31 March 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

| Name of entity | Place of business/ country of incorporation | Ownership interest held by the group | Ownership interest held by non-controlling interests | Principal activities |
|--|---|--------------------------------------|--|--|
| Joyce Foam Pty. Limited, Australia | Australia | 100% | 0% | Manufacturer of technical foam supplied to Business customers (mattresses and furniture manufacturers) |
| Duya Software Solutions (P) Ltd., India | India | 100% | 0% | Software development and related ancillary activities |
| Sleepwell Enterprises (P) Ltd., India | India | 100% | 0% | Providing of its Trademarks, Patents, Logos etc. and branding royalty thereon |
| International Foam Technologies SL, Spain | Spain | 100% | 0% | To invest in a Wholly Owned Subsidiary Company in Spain, engaged in manufacturing of Polyurethane Foam |
| Slapp World Pvt. Ltd., India | India | 100% | 0% | Information technology and related ancillary activities |
| International Combit Technologies Private Limited, India | India | 100% | 0% | Manufacturer of mattresses supplied to domestic & overseas customers |



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Note 60 : Derivative instruments and unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure as at balance sheet date:

| Particulars | Currency | As at March 31, 2022 | | As at March 31, 2021 | |
|------------------------|----------|----------------------------|----------|----------------------------|----------|
| | | Amount in foreign currency | In INR | Amount in foreign currency | In INR |
| Trade payables | USD | 26.23 | 2,030.68 | 16.06 | 1,207.62 |
| | EURO | 0.92 | 79.48 | 2.47 | 209.94 |
| | GBP | 0.19 | 19.28 | 0.06 | 6.20 |
| | NZD | 2.41 | 127.14 | 1.82 | 82.83 |
| Advance From Customers | USD | 1.91 | 147.84 | 1.14 | 85.99 |
| Term loan | USD | 94.10 | 7,247.32 | - | - |
| Trade receivables | USD | 10.28 | 778.46 | 2.38 | 177.15 |
| Capital advances | USD | 18.50 | 1,492.19 | 0.42 | 31.79 |
| | GBP | 10.52 | 1,764.25 | - | - |
| Advance to vendors | EURO | 0.00 | 0.12 | 0.48 | 39.88 |
| | GBP | - | - | 3.63 | 358.05 |
| Bank balance | USD | 1.41 | 104.57 | 3.66 | 289.98 |
| | AED | 590.00 | 0.11 | - | - |
| | USD | 1,833.46 | 268.87 | 4.73 | 355.74 |

Note 61 : Income tax recognised in profit or loss

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|-----------------------------------|-----------------------------------|
| Current tax | | |
| In respect of current year | 8,323.45 | 6,549.12 |
| Tax expenses related to earlier years | (22.04) | (42.32) |
| | <u>8,301.41</u> | <u>6,506.80</u> |
| Deferred tax | | |
| Original/on and reversal of temporary differences | (565.48) | (48.58) |
| | <u>(565.48)</u> | <u>(48.58)</u> |
| Total income tax expense recognised in the current year | <u>7,715.93</u> | <u>8,458.22</u> |

The income tax expense for the year can be reconciled to the accounting profit as follows:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|-----------------------------------|-----------------------------------|
| Profit before tax (Including Other comprehensive income) | 28,453.69 | 32,737.57 |
| Income tax expense calculated at 25.168% | 7,412.90 | 8,239.39 |
| Effect of expenses that are not deductible in determining taxable profit | 115.15 | - |
| Effect of difference in tax rates | 197.17 | 115.29 |
| Others | 12.74 | 145.85 |
| | <u>7,737.96</u> | <u>8,509.53</u> |
| Adjustments recognised in the current year in relation to tax of prior years | (22.04) | (42.32) |
| Income tax expense recognised in the Statement of Profit and Loss | <u>7,715.93</u> | <u>8,458.22</u> |
| Effective Tax Rate | 26.20% | 25.84% |

Note 62 : The Code on Social Security 2020 (In respect of companies incorporated in India)

The Code on Social Security 2020 ('the Code') relating to employee benefits in India, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The management will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Note 63: Utilisation of borrowed funds

- (i) The group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (ii) The group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 64 : Events after the reporting period

There are no significant adjusting events after the reporting period.

Note 65 : Details of Crypto Currency or Virtual Currency (In respect of companies incorporated in India)

The group has not traded or invested in Crypto currency or Virtual currency during the financial year



Sheela Foam Limited
Notes forming part of the consolidated financial statements
(In Indian Rupees (Lakhs), unless otherwise stated)

Note 66 - Undisclosed Income (In respect of companies incorporated in India)

There is no undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 67: Details of Benami Property held (In respect of companies incorporated in India)

There is no Benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.

Note 68: Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 (In respect of companies incorporated in India)

There is no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

Note 69: Reconciliation of monthly returns or statements of current assets filed with banks or financial institutions

31 March 2022

| Month | Name of bank | Particulars of Securities Provided | Amount as per books of account | Amount as reported in the Monthly statement | Amount of difference | Reason for material discrepancies |
|--------|--|--|--------------------------------|---|----------------------|-----------------------------------|
| Apr/21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 28,090.01 | 28,090.01 | - | - |
| May/21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 25,909.24 | 25,909.24 | - | - |
| Jun/21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 23,930.09 | 23,930.09 | - | - |
| Jul/21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 24,797.80 | 24,797.80 | - | - |
| Aug/21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 26,151.99 | 26,151.99 | - | - |
| Sep/21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 29,075.37 | 29,075.37 | - | - |
| Oct/21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 32,969.64 | 32,969.64 | - | - |
| Nov/21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 29,760.13 | 29,760.13 | - | - |
| Dec/21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 27,449.27 | 27,449.27 | - | - |
| Jan/22 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 26,551.13 | 26,551.13 | - | - |
| Feb/22 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 25,878.66 | 25,878.66 | - | - |
| Mar/22 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 26,924.84 | 26,924.84 | - | - |



Sheela Foam Limited
Notes forming part of the consolidated financial statements
(in Indian Rupees (Lakhs), unless otherwise stated)

31 March 2021

| Quarter | Name of bank | Particulars of Securities Provided | Amount as per books of account | Amount as reported in the Monthly statement | Amount of difference | Reason for material discrepancies |
|---------|--|--|--------------------------------|---|----------------------|-----------------------------------|
| Apr/20 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 19,479 | 19,479 | - | - |
| May/20 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 17,604 | 17,604 | - | - |
| Jun/20 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 16,686 | 16,686 | - | - |
| Jul/20 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 17,774 | 17,774 | - | - |
| Aug/20 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 19,611 | 19,611 | - | - |
| Sep/20 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 19,934 | 19,934 | - | - |
| Oct/20 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 24,515 | 24,515 | - | - |
| Nov/20 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 26,910 | 26,910 | - | - |
| Dec/20 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 25,824 | 25,824 | - | - |
| Jan/21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 25,748 | 25,748 | - | - |
| Feb/21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 24,489 | 24,489 | - | - |
| Mar/21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 26,441 | 26,441 | - | - |

Note 70 : Compliance with number of layers of Companies (In respect of companies incorporated in India)

Has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Note 71

The group did not have any material foreseeable losses on long term contracts including derivative contracts

Note 72

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.



Sheela Foam Limited
Notes forming part of the consolidated financial statements
(in Indian Rupees (Lakhs), unless otherwise stated)

Note 73: Following are the reclassifications made in the previous year figures to make them comparable/ better presentation with the current year figures:

| Particulars | March 31, 2021 (Revised) | March 31, 2021 (Published) | Nature |
|-----------------------------------|-----------------------------|-------------------------------|------------------------|
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| (ii) Other Financial Liabilities | 5,018.13 | 8,444.82 | Reclassification items |
| Current Liabilities | | | |
| Trade Payable | 39,012.56 | 22,984.51 | Reclassification items |
| Financial Liabilities | | | |
| (iii) Other Financial Liabilities | 5,311.60 | 12,586.54 | Reclassification items |

For MSKA & ASSOCIATES
Chartered Accountants
 Firm Registration No.: 105047W

M.P. Bathija

Manish P Bathija
 Partner
 Membership No.: 216706

Place: Gurugram
 Date: May 12, 2022



For and on behalf of the Board of Directors of
Sheela Foam Limited
 CIN: L74899DL1971PLC005679

Rehul Geutam

Rehul Geutam
 Managing Director
 DIN: 00192999

Place: Noida
 Date: May 12, 2022

Tushaar Gauram

Tushaar Gauram
 Whole Time Director
 DIN: 01646487

Place: Noida
 Date: May 12, 2022

Nikhil Ghanashyam Datye

Nikhil Ghanashyam Datye
 Chief Financial Officer

Place: Noida
 Date: May 12, 2022

Md. Iqbal Ahmad

Md. Iqbal Ahmad
 Company Secretary
 Membership No.: A20921

Place: Noida
 Date: May 12, 2022

MSKA & Associates

Chartered Accountants

The Palm Springs Plaza
Office No. 1501-B, 15th floor
Sector-54, Golf Course Road
Gurugram 122001, INDIA

INDEPENDENT AUDITOR'S REPORT

To the Members of Sheela Foam Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Sheela Foam Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

Revenue recognition - Discounts and rebates

Refer note 2 and 32 to the standalone financial statements.

As disclosed in note 2 to the standalone financial statements, revenue is measured net of any trade discounts and volume rebates to customers (i.e., to the Wholesale traders and Retail traders).

As per the secondary scheme, discounts and rebates are passed on to the customers only on secondary sales made by wholesale to retail. Further, certain discounts and rebates for goods sold during the year are only finalised when the precise amounts are known, and revenue therefore includes an estimate of variable consideration. This includes establishing an accrual at year end, particularly in arrangements with customers involving varying terms which are based on annual contracts or shorter-



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term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span beyond the year end. The unsettled portion of the variable consideration, results in accrual of discounts and rebates due to customers as at year end. Significant judgement is required in estimating accruals relating to secondary schemes recognized, based on sales made during the year.

In view of above, accrual for discounts and rebates in relation to revenue recognition is identified as a key audit matter.

Description of Auditor's response:

- Assessed the appropriateness of the Company's revenue recognition accounting policies, including those relating to discounts, incentives and rebates as required under the applicable accounting standards.
- Understood the process followed by the Company to determine the amount of accrual for discounts and rebates.
- Verified the design and implementation and tested operating effectiveness of key application controls over the Company's automated systems and manual controls over rebates agreements/ arrangements, rebate payments / settlements and Company's review over the rebate accruals.
- Verified on a test check basis, key customer contracts to identify the relevant terms and conditions related to discounts and rebates.
- Verified on test check basis, discounts and rebates transactions recorded during the year including period end discounts and rebates accruals and ensured the computation is in accordance with the policy and relevant source documents.
- Examined historical rebate accrual together with our understanding of current year developments to form an expectation of the rebate accrual as at year end and compared the same with the accrual for the year ended March 31, 2023.
- Verified completeness and accuracy of the data used by the Company for accrual of discounts and rebates through test of controls.
- Verified on a test check basis, rebate accruals after the reporting date to validate whether the accrual is recorded in the correct period.
- Verified payments made after reporting/year end date and where relevant, comparing the payment to the related rebate accrual.
- Verified the credit notes for rebates and discounts issued subsequent to the balance sheet date to assess the reasonableness of the amounts recognised and to identify any significant unaccounted secondary trade accruals.
- Verified manual journal entries posted to revenue, on a test check basis, to identify unusual items and examining the underlying documentation.
- Verified the related disclosures made in notes to the financial statements in accordance with the requirements of the applicable accounting standards.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc. but does not include the standalone financial statements and our auditor's report thereon. The Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc. is expected to be made available to us subsequent to this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



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When we read the Management report, Chairman’s statement, Director’s report, Business Responsibility and Sustainability Reporting etc., if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 ‘The Auditor’s responsibilities Relating to Other Information’.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs 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 standalone financial statements.

We give in “Annexure A” a detailed description of Auditor’s responsibilities for Audit of the Standalone Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



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- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 52 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - (1) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 62 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (2) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 62 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.



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- v. The Company has neither declared nor paid any dividend during the year.
 - vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.
3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Nipun Gupta

Nipun Gupta
Partner

Membership No. 502896
UDIN: 23502896BGTEUQ8910



Place: Gurugram
Date: May 17, 2023

MSKA & Associates

Chartered Accountants

The Palm Springs Plaza
Office No. 1501-B, 15th floor
Sector-54, Golf Course Road
Gurugram 122001, INDIA

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2023 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Nipun Gupta
Nipun Gupta
Partner
Membership No. 502896
UDIN: 23502896BGTEUQ8910



Place: Gurugram
Date: May 17, 2023

MSKA & Associates

Chartered Accountants

The Palm Springs Plaza
Office No. 1501-B, 15th floor
Sector-54, Golf Course Road
Gurugram 122001, INDIA

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED FOR THE YEAR ENDED MARCH 31, 2023

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

- (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- B. The Company does not have intangible assets. Accordingly, the provisions stated in paragraph 3(i)(a)(B) of the Order are not applicable to the Company.
- (b) Property, Plant and Equipment, have been physically verified by the management at reasonable intervals during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets). The company does not have intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.

ii.

- (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.
- (b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks on the basis of security of current assets. Monthly returns / statements filed with such banks are in agreement with the books of account.

iii.

- (a) According to the information explanation provided to us, the Company has made investments in, provided loans, or given guarantee, or provided security to any other entity. The details of such loans or advances and guarantees or security are as follows:



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(All amounts in Rs. lakh)

| Particulars | Guarantees | Security | Loans (excluding interest) | Investments |
|---|------------|----------|----------------------------------|-------------|
| Aggregate amount granted/ provided during the year | | | | |
| - Subsidiaries | 7,175.07 | - | 4,200.00 | - |
| - Others | - | - | 362.65 | - |
| Balance Outstanding as at balance sheet date in respect of above cases | | | | |
| - Subsidiaries | 34,354.00 | - | 12,218.61 | 22,657.38 |
| - Others | - | - | 219.08 | - |

- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to investments made, guarantees provided, securities given and / or grant of all loans and advances in the nature of loans and guarantees are not prejudicial to the interest of the Company.
- (c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the payment of the principal and interest.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no amounts overdue for more than ninety days in respect of the loan granted to Company/ Firm/ LLP/ Other Parties.
- (e) According to the information explanation provided to us, the loan or advance in the nature of loan granted has not fallen due during the year. Hence, the requirements under paragraph 3(iii) (e) of the Order are not applicable to the Company.
- (f) According to the information explanation provided to us, the Company has granted loans/advances in the nature of loans repayable on demand or without specifying any terms or period of repayment. The details of the same are as follows:

(All amounts in Rs. lakh)

| | All Parties | Promoters | Related Parties |
|---|-------------|-----------|-----------------|
| Aggregate amount of loans/ advances in nature of loans | | | |
| - Repayable on demand (A) | - | - | 5,050 |
| - Agreement does not specify any terms or period of repayment (B) | - | - | - |
| Total (A+B) | - | - | 5,050 |
| % of loans/ advances in nature of loans to the total loans | - | - | 41.10% |



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- iv. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan, or provided guarantee or security to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on March 31, 2023 and the Company has not accepted any deposits during the year.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii.
(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub Clause (a) above which have not been deposited as on March 31, 2023 on account of any dispute, are as follows:

(All amount in Rs. Lakh)

| Name of the statute | Nature of dues | Amount Demanded (Rs.) | Amount Paid (Rs.) | Period to which the amount relates | Forum where dispute is pending |
|------------------------------|----------------|-----------------------|-------------------|------------------------------------|---|
| Central Excise Tax Act, 1944 | Excise Duty | 123.85 | 0.99 | 2011-2012 & 2012-2013 | The Customs Excise and Service Tax Appellate Tribunal Kolkata |
| Central Excise Tax Act, 1944 | Excise Duty | 241.07 | 9.04 | February 2017 to June 2017 | Customs Excise Service Tax Appellate Tribunal, Kolkata |
| Central Excise Tax Act, 1944 | Excise Duty | 45.65 | 1.69 | 2016-2017 & 2017-2018 | Customs Excise Service Tax Appellate Tribunal, Kolkata |



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| Name of the statute | Nature of dues | Amount Demanded (Rs.) | Amount Paid (Rs.) | Period to which the amount relates | Forum where dispute is pending |
|--|----------------|-----------------------|-------------------|------------------------------------|--|
| Income Tax Act, 1961 | Income Tax | 479.68 | 479.68 | 2013-2014 | Delhi High Court |
| Income Tax Act, 1961 | Income Tax | 23.45 | 23.45 | 2017-18 | Income Tax Appellate Tribunal, New Delhi |
| Income Tax Act, 1961 | Income Tax | 37.35 | 37.35 | 2016-17 | Income Tax Appellate Tribunal, New Delhi |
| Income Tax Act, 1961 | Income Tax | 24.51 | - | 2020-21 | Commissioner of Income tax (Appeal), New Delhi |
| The Central Sales Tax Act, 1956 and The Sikkim Sales Tax Act, 1983 | Sales Tax | 46.00 | 46.00 | 2003-2004 & 2004-2005 | Supreme Court |
| The Central Sales Tax Act, 1956 and The Sikkim Sales Tax Act, 1983 | Sales Tax | 393.99 | 393.99 | 2005-06 to 2011-12 | Additional Commissioner Commercial tax |
| West Bengal Tax on Entry of Goods into Local Areas Act, 2012 | Entry Tax | 28.88 | - | 2012-13 & 2013-14 | Supreme Court |
| West Bengal Tax on Entry of Goods into Local Areas Act, 2012 | Entry Tax | 107.51 | - | 2014-15 to 2017-18 | Supreme Court |
| Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007 | Entry Tax | 57.72 | 28.86 | 2001-2012 | Allahabad High Court |

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix. (a) The Company does not have any loans or borrowings and repayment to lenders during the year. Accordingly, the provision stated in paragraph 3(ix) (a) of the Order is not applicable to the Company.



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- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority. Accordingly, the provision stated in paragraph 3(ix) (b) of the Order is not applicable to the Company.
- (c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanation provided to us, there are no funds raised on short term basis. Accordingly, the provision stated in paragraph 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries. Accordingly, the provision stated in paragraph 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.
- x.
- (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Hence, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
- xi.
- (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2023, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to Company.
- xii. In our opinion and according to the information and explanations given to us the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.



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- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Act are not applicable to Company.
- xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph 3 (xvi) (d) of the order are not applicable to the Company.
- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



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- xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund or to a Special Account as per the provisions of Section 135 of the Act read with schedule VII. Accordingly, reporting under Clause 3(xx)(a) and Clause 3(xx)(b) of the Order is not applicable to the Company.
- xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Nipun Gupta

Nipun Gupta
Partner
Membership No. 502896
UDIN: 23502896BGTEUQ8910



Place: Gurugram
Date: May 17, 2023

MSKA & Associates

Chartered Accountants

The Palm Springs Plaza
Office No. 1501-B, 15th floor
Sector-54, Golf Course Road
Gurugram 122001, INDIA

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Sheela Foam Limited on the Financial Statements for the year ended March 31, 2023]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Sheela Foam Limited as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies; the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend



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on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W


Nipun Gupta
Partner
Membership No. 502896
UDIN: 23502896BGTEUQ8910



Place: Gurugram
Date: May 17, 2023

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Sheela Foam Limited
Standalone Balance Sheet as at March 31, 2023

(Rs. in Lakhs)

| Particulars | Note no. | As at March 31, 2023 | As at March 31, 2022 |
|--|----------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 23,709.63 | 23,501.54 |
| Right-of-use assets | 4 | 1,631.09 | 1,835.12 |
| Capital work-in-progress | 3 | 188.78 | 63.78 |
| Investment property | 5 | 342.50 | 362.70 |
| Investment in subsidiaries | 6 | 19,667.38 | 19,667.38 |
| Financial assets | | | |
| (i) Investment in preference shares | 7 | 2,980.00 | 2,980.00 |
| (ii) Other investments | 8 | 5,641.29 | 52,883.17 |
| (iii) Loans | 9 | 12,226.14 | 7,778.00 |
| (iv) Other financial assets | 10 | 1,698.07 | 1,907.09 |
| Non-current tax assets (net) | 11 | 671.18 | 463.33 |
| Other non-current assets | 12 | 323.67 | 260.02 |
| Total non-current assets | | 69,092.71 | 1,11,712.13 |
| Current assets | | | |
| Inventories | 13 | 18,894.37 | 20,346.61 |
| Financial assets | | | |
| (i) Investments | 14 | 70,647.60 | 8,398.45 |
| (ii) Trade receivables | 15 | 16,400.40 | 13,601.78 |
| (iii) Cash and cash equivalents | 16 | 1,042.61 | 1,431.36 |
| (iv) Bank balances other than cash and cash equivalents | 17 | 26.65 | 31.58 |
| (v) Loans | 18 | 59.07 | 555.07 |
| (vi) Other financial assets | 18 | 640.00 | 2,817.77 |
| Other current assets | 20 | 3,704.13 | 1,922.97 |
| Total current assets | | 1,11,414.63 | 49,105.99 |
| Total assets | | 1,80,507.34 | 1,60,818.12 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 21 | 4,878.28 | 2,439.14 |
| Other equity | 22 | 1,34,701.83 | 1,18,513.31 |
| Total equity | | 1,39,580.11 | 1,20,952.45 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Lease liabilities | 23 | 1,488.19 | 1,826.72 |
| (ii) Other non-current financial liabilities | 24 | 2,548.16 | 5,034.08 |
| Provisions | 25 | 897.43 | 602.57 |
| Other non-current liabilities | 26 | 19.85 | 22.70 |
| Deferred tax liabilities (net) | 27 | 188.02 | 482.45 |
| Total non-current liabilities | | 5,142.65 | 7,968.52 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Lease liabilities | 23 | 127.06 | 113.12 |
| (ii) Trade payables | | | |
| - Total outstanding dues of micro enterprises and small enterprises | 28 | 630.91 | 444.61 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 28 | 17,645.99 | 18,941.42 |
| (iii) Other financial liabilities | 29 | 8,627.40 | 4,130.88 |
| Provisions | 25 | 1,088.59 | 1,053.41 |
| Current tax liabilities (net) | 30 | 115.53 | - |
| Other current liabilities | 31 | 7,549.30 | 7,213.31 |
| Total current liabilities | | 35,784.78 | 31,898.75 |
| Total liabilities | | 40,327.43 | 39,867.27 |
| Total equity and liabilities | | 1,80,507.34 | 1,60,818.12 |

Significant accounting policies 2
The accompanying notes are an integral part of these standalone financial statements.
As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration No.: 105047W
Chartered Accountants

For and on behalf of the Board of Directors of
Sheela Foam Limited
CIN: L74899DL1971PLC005879

Nipun Gupta
Nipun Gupta
Partner
Membership No.: 502896



Place: Gurugram
Date: May 17, 2023

Rahul Gautam
Rahul Gautam
Managing Director
DIN:00192999

Tusbaar Gautam
Tusbaar Gautam
Whole Time Director
DIN:01646687

Amit Kumar Gupta
Amit Kumar Gupta
Group Chief Financial
Officer

Md. Iqbal Ahmad
Md. Iqbal Ahmad
Company Secretary
Membership No.: A20921

Place: Noida
Date: May 17, 2023

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Sheela Foam Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2023

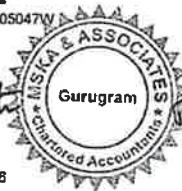
| Particulars | Note no. | (Rs. in Lakhs) | |
|---|----------|--------------------------------------|--------------------------------------|
| | | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Income | | | |
| Revenue from operations | 32 | 2,01,981.56 | 2,00,820.99 |
| Other income | 33 | 7,861.27 | 7,022.38 |
| Total Income | | 2,09,842.83 | 2,07,843.37 |
| Expenses | | | |
| Cost of materials consumed | 34 | 1,13,311.05 | 1,28,594.54 |
| Purchase of stock-in-trade | 35 | 14,887.73 | 5,331.06 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 36 | (360.40) | (865.63) |
| Other manufacturing expenses | 37 | 3,626.01 | 3,401.82 |
| Employee benefits expense | 38 | 14,519.48 | 13,188.01 |
| Finance costs | 39 | 637.38 | 710.95 |
| Depreciation and amortisation expense | 40 | 3,378.39 | 3,238.96 |
| Other expenses | 41 | 33,778.17 | 27,787.27 |
| Total Expenses | | 1,83,775.81 | 1,81,366.98 |
| Profit before tax | | 26,067.02 | 26,456.39 |
| Income Tax expense | 59 | | |
| Current tax | | 6,815.87 | 7,054.57 |
| Tax expenses related to earlier years | | (70.48) | (22.27) |
| Deferred tax (net) | 27 | (164.30) | (307.39) |
| Total Income tax expense | | 6,581.08 | 6,724.91 |
| Profit for the year | | 19,485.94 | 19,731.48 |
| Other comprehensive income (net of tax) | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Remeasurements gain / (loss) of the net defined benefit plans | | (166.27) | (479.40) |
| Income tax on above item | 27 | 41.60 | 120.68 |
| <i>Items that will be reclassified to profit or loss:</i> | | | |
| Fair value gain / (loss) on investments and other financial instruments | | (347.78) | 323.91 |
| Income tax on above item | 27 | 87.53 | (81.53) |
| Total Other comprehensive Income/ (loss) (net of tax) | | (383.92) | (116.36) |
| Total comprehensive Income for the year | | 19,102.02 | 19,615.12 |
| Earnings per equity share (face value of Rs.5/- each): | | | |
| Basic and diluted (Rs.) | 42 | 19.97 | 20.22 |

Significant accounting policies 2
The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration No.: 105047W

Nipun Gupta
Partner
Membership No.: 502896



For and on behalf of the Board of Directors of
Sheela Foam Limited
CIN: L74899DL1971PLC005679

Rahul Gautam
Managing Director
DIN:00192999

Tushaar Gautam
Whole Time Director
DIN:01616487

Amit Kumar Gupta
Group Chief Financial
Officer

Place: Gurugram
Date: May 17, 2023

Place: Noida
Date: May 17, 2023

Md. Iqbal Ahmad
Company Secretary
Membership No.: A20921

Sheela Foam Limited
 Standalone Statement of Changes in Equity for the year ended March 31, 2023

A. EQUITY SHARE CAPITAL

| Particulars | Rs. in Lakhs |
|--|--------------|
| Balance as at April 01, 2021 | 2,439.14 |
| Add: Issued during the year | - |
| Balance as at March 31, 2022 | 2,439.14 |
| Add: Bonus shares issued during the year | 2,439.14 |
| Balance as at March 31, 2023 | 4,878.28 |

B. OTHER EQUITY

| Particulars | Reserves and surplus | | | Items of Other Comprehensive Income | | Total |
|---|----------------------|-----------------|-----------------|-------------------------------------|-------------------------------------|-------------|
| | Retained earnings | Capital reserve | General reserve | Debt Instruments through OCI | Cash flow Hedge reserve through OCI | |
| Balance as at April 01, 2021 | 96,671.76 | 328.57 | 1,716.27 | 161.59 | - | 98,868.19 |
| Profit for the year | 19,731.48 | - | - | - | - | 19,731.48 |
| Other Comprehensive income/ (loss) for the year (net of tax) | (358.74) | - | - | 242.38 | - | (116.36) |
| Total comprehensive income for the year | 19,372.74 | - | - | 242.38 | - | 19,615.12 |
| Balance as at March 31, 2022 | 1,16,044.50 | 328.57 | 1,716.27 | 423.97 | - | 1,18,513.31 |
| Profit for the year | 19,485.94 | - | - | - | - | 19,485.94 |
| Other comprehensive income/ (loss) for the year (net of tax) | (123.67) | - | - | - | - | (123.67) |
| Loss on cash flow hedge reserve (net of tax) | - | - | - | - | (260.25) | (260.25) |
| Expenses towards increase in authorised capital | (50.39) | - | - | - | - | (50.39) |
| Realised gain from debt instruments transferred to profit and loss (Net of Tax) | - | - | - | (423.97) | - | (423.97) |
| Bonus shares issued during the year | (394.30) | (328.57) | (1,716.27) | - | - | (2,439.14) |
| Total comprehensive income for the year | 18,917.58 | (328.57) | (1,716.27) | (423.97) | (260.25) | 16,188.52 |
| Balance as at March 31, 2023 | 1,34,962.08 | - | - | - | (260.25) | 1,34,701.83 |

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For M S K A & Associates
 Chartered Accountants
 Firm Registration No.: 105047W

For and on behalf of the Board of Directors of
 Sheela Foam Limited
 CIN: L74899DL1971PLC005979

Nipun Gupta
 Partner
 Membership No.: 502896



Rahul Gautam
 Managing Director
 DIN:00192999

Tushaar Gautam
 Whole Time Director
 DIN:01648487

Amit Kumar Gupta
 Group Chief Financial
 Officer

Place: Gurugram
 Date: May 17, 2023

Place: Noida
 Date: May 17, 2023

Md. Iqbal Ahmad
 Company Secretary
 Membership No.: A20921

Sheela Foam Limited
 Standalone Statement of Cash Flows for the year ended March 31, 2023

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| A. Cash flow from operating activities | | |
| Profit before tax | 26,067.02 | 26,458.39 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 3,376.39 | 3,238.96 |
| Finance costs | 637.38 | 710.85 |
| Liabilities/provisions no longer required written back | (11.66) | (59.43) |
| Provision for doubtful receivables | 180.50 | - |
| Provision for warranty | 1,175.79 | 983.10 |
| Subsidy income | (2.84) | (2.84) |
| Bad debts written off | 36.41 | 34.18 |
| Fair value (gain) / loss on investments (net) | (872.62) | 382.97 |
| (Profit) / Loss on sale of investments (net) | (1,864.61) | (1,228.48) |
| (Profit) / Loss on sale of property, plant and equipment (net) | (48.56) | (107.85) |
| Net Loss on Foreign Currency Forward Contracts | 1,322.29 | - |
| Unrealised foreign exchange (gain) / loss (net) | (88.19) | (884.71) |
| Rental Income | (250.68) | (239.21) |
| Interest income | (3,709.60) | (3,960.33) |
| Operating profit before working capital changes | 25,947.01 | 25,503.60 |
| Changes in working capital: | | |
| Decrease in inventories | 1,452.24 | 2,485.30 |
| (Increase) / Decrease in loans and trade receivables | (2,426.49) | 1,112.73 |
| Decrease / (Increase) in other financial and non-financial assets | (1,283.58) | (2,211.83) |
| (Decrease) / Increase in trade payables | (1,109.13) | (1,837.95) |
| (Decrease) / Increase in other financial liabilities, non-financial liabilities and provisions | (933.43) | 1,344.93 |
| Cash generated from operations | 21,646.62 | 26,595.78 |
| Income tax paid (net of refunds) | (6,837.68) | (7,032.31) |
| Net cash flow from operating activities (A) | 14,808.94 | 19,563.47 |
| B. Cash flow from investing activities | | |
| Purchase of property, plant and equipment and change in capital work in progress | (3,752.84) | (1,699.93) |
| Proceeds from Sale of property, plant and equipment | 173.11 | 438.30 |
| Capital Advances | 43.37 | - |
| Investment in shares of Subsidiary Companies (net) | - | (1,285.94) |
| Investment in bonds, debentures and mutual funds (net) | (12,694.00) | (19,799.70) |
| Loans given to Subsidiary Company | (4,200.00) | (2,922.79) |
| Repayment of loans by Subsidiary Company | 350.00 | - |
| Proceeds from bank deposits | 4.93 | - |
| Interest and principal received on lease receivable | 206.44 | 72.00 |
| Rental income (short term lease) | 250.68 | 239.21 |
| Interest income received | 5,277.56 | 3,925.91 |
| Net cash (used in) investing activities (B) | (14,340.74) | (21,032.94) |
| C. Cash flow from financing activities | | |
| Payment of lease liabilities (principal and interest) | (280.91) | (195.32) |
| Fees paid for increase in authorised share capital | (50.39) | - |
| Finance costs | (645.65) | (408.39) |
| Net Cash (used in) Financing Activities (C) | (856.95) | (603.71) |
| Net (decrease) / Increase in cash and cash equivalents (A+B+C) | (388.75) | (2,072.18) |
| Cash and cash equivalents at the beginning of the year | 1,431.36 | 3,503.54 |
| Cash and cash equivalents at the end of the year | 1,042.61 | 1,431.36 |

Notes:

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- Figures in bracket represent cash outflow.
- Components of cash and cash equivalents:

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Cash and cash equivalents | | |
| Cash on hand | 7.41 | 15.65 |
| Deposits having original maturity of less than 3 months | 1.00 | 933.87 |
| Balance with banks in current accounts | 1,034.20 | 481.84 |
| Balance as per Statement of Cash Flows | 1,042.61 | 1,431.36 |



Sheela Foam Limited
 Standalone Statement of Cash Flows for the year ended March 31, 2023

| Particular | (Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| 4. Changes in liabilities arising from financing activities | | |
| Lease liabilities | | |
| Lease liabilities at the beginning of the year | 1,939.84 | 199.19 |
| Addition during the year | 40.54 | 1,823.14 |
| Finance charges | 91.73 | 112.83 |
| Payment of lease liabilities | (260.91) | (195.32) |
| Cancellation / adjustments | (195.95) | - |
| Lease liabilities as at year end | <u>1,415.25</u> | <u>1,939.84</u> |

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For M S K A & Associates
 Chartered Accountants
 Firm Registration No : 105047W

Nipun Gupta
 Nipun Gupta
 Partner
 Membership No : 502896



For and on behalf of the Board of Directors of
 Sheela Foam Limited
 CIN: L74899DL1971PLC005879

Rahul Gautam
 Rahul Gautam
 Managing Director
 DIN:00192998

Tushaar Gautam
 Tushaar Gautam
 Whole Time Director
 DIN 01649487

Amit Kumar Gupta
 Amit Kumar Gupta
 Group Chief Financial
 Officer

Place: Gurugram
 Date: May 17, 2023

Place: Noida
 Date: May 17, 2023

Md. Iqbal Ahmad
 Md. Iqbal Ahmad
 Company Secretary
 Membership No.: A20921

SHEELA FOAM LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2023

1. COMPANY INFORMATION

Sheela Foam Limited ('the Company') is a ISO 9001:2000 public limited company incorporated in India, with its registered office in New Delhi. The Company is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

The Company is pioneered in the manufacturing of polyurethane foams in India and has ten manufacturing facilities, using the state of the art technology at strategic locations across the country.

The standalone financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorized for issue on May 17, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance and Basis of Preparation

a. Basis of Preparation

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act. The standalone financial statements have been prepared on accrual and going concern basis. All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

The standalone financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments), measured at fair value (refer accounting policy regarding financial instruments).
- defined benefit plans - plan asset measured at fair value.

b. Functional and presentation currency

The standalone financial statements are prepared in Indian Rupees ('Rs.'), which is the Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimal places, unless stated otherwise.

c. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non current classification.

An asset is classified as current when it is

- expected to be realized, or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it is

- expected to be settled in the normal operating cycle;



**SHEELA FOAM LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2023**

- held primarily for the purpose of trading;
- due to be settled within 12 months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for atleast 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities:

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle:

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalent. The Company has identified twelve months as its operating cycle.

d. Use of estimates and judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as at Balance Sheet date, reported amount of revenue and expenses for the year and disclosure of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying standalone financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the standalone financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

These estimates and assumptions are based on the facts and events, that existed as at the date of Balance Sheet, or that occurred after that date but provide additional evidence about conditions existing as at the Balance Sheet date.

Refer below for detailed discussion on estimates and judgments:

i. Useful lives of Property Plant and Equipment

The Property, Plant and Equipment are depreciated on a pro-rata basis on written down value basis over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 2.2 below. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the financial position in future years.

ii. Retirement benefit obligation

The cost of retirement benefits and present value of the retirement benefit obligations in respect of Gratuity and Leave Encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, these retirement benefit obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long-term government bonds with extrapolated maturity corresponding to the expected duration of these obligations. The mortality rate is based on publicly available mortality table for the specific countries. Future salary, seniority, promotion and other relevant factors and pension



SHEELA FOAM LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2023

increases are based on expected future inflation on a long-term basis. Further details about the assumptions used, including a sensitivity analysis are given in Note 44.

iii. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

iv. Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v. Impairment of Financial assets

The impairment provision of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.2 Property, Plant & Equipment

Property, Plant & Equipment are accounted for on historical cost basis (inclusive of the cost of installation and other incidental costs till the date of commencement of commercial production) net of recoverable taxes, less accumulated depreciation and impairment loss, if any. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are added to the existing asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation on property, plant & equipment is provided on a pro-rata basis on written down value basis, over the useful life of the assets estimated by management, in the manner prescribed in Schedule II of the Companies Act, 2013. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. The asset's residual



SHEELA FOAM LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2023

values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The property, plant and equipment costing upto Rs.5,000/- are fully depreciated during the year of addition after retaining 5% as net residual value. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

| Asset | Useful life as per Schedule II of the Companies Act, 2013 (No. of Years) | Useful life as assessed / estimated by the Company (No. of Years) |
|---------------------------------------|--|---|
| Building | | |
| - Factory (including roads and lanes) | 30 | 29 |
| - Office | 60 | 4-59 |
| - Residential | 60 | 59 |
| Plant & Equipment | 15 | 20 |
| Furniture & Fixtures | 10 | 15 |
| Vehicles | | |
| - Motor Cars | 8 | 10 |
| Office Equipment | 5 | 20 |
| Data Processing Equipment | | |
| - Computer Equipment | 3 | 6 |
| Electrical Fittings | 10 | 20 |

Based on usage pattern, technical evaluation and internal assessment, management believes the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Cost of leasehold land is amortized over the period of lease. Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of assets.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

2.3 Investment Property

Property that is held for long- term rental yields or for capital appreciation or both and that is not occupied by the Company, is classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are added to the carrying amount only when it is probable that it will increase its useful life. All other repairs and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred. Though the Company measures investment property using cost based measurement,



SHEELA FOAM LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2023

the fair value of the investment property is disclosed in the notes. Fair value is determined based on an annual evaluation performed by an accredited external independent valuer applying a recognized and recommended valuation model.

Depreciation on investment property, is provided on a pro-rata basis on a written down value basis, over the useful life of the property estimated by management, in the manner prescribed in Schedule II of the Act. The property's residual value, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The useful lives in the following cases are different from those prescribed in Schedule II of the Act:

| Asset | Useful life as per Schedule II of the Companies Act, 2013 (No. of Years) | Useful life as assessed / estimated by the Company (No. of Years) |
|--------------------|---|--|
| Buildings : | | |
| - Factory | 30 | 29 |
| - Office | 60 | 59 |
| - Residential | 60 | 59 |

Based on usage pattern, technical evaluation and internal assessment, management believes the useful lives, as given above best represent the period over which the management expects to use the properties. Hence the useful lives of these properties is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Investment property is derecognized when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss arising on de-recognition of the investment property is included in the Statement of Profit and Loss.

Transfers are made to/from investment property only when there is a change in its use. Transfers between investment property is made at the carrying amount of the property transferred.

Transition to Ind AS

On transition to Ind AS, since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its investment property as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., April 01, 2016.

2.4 Investment in Subsidiaries

Investments in subsidiaries are carried at cost, less accumulated impairment losses, if any. Where an indication of impairment exists the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

2.5 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



SHEELA FOAM LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2023

(i) Financial Assets

(a) Initial recognition and measurement

At initial recognition, all financial assets are recognized at its fair value plus, in the case of a financial asset not carried at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(b) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- a. at amortized cost;
- b. at fair value through other comprehensive income (FVTOCI); and
- c. at fair value through profit and loss (FVTPL)

Where financial assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit and loss), or recognized in other comprehensive income (i.e. fair value through Other Comprehensive Income).

The classification of financial assets depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

(1) Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if both the following conditions are met:

- Business Model Test: The objective of the business model is to hold financial asset in order to collect contractual cash flows (rather than to sell the asset prior to its financial maturity to realize its fair value changes); and
- Cash Flow Characteristics Test: The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial asset are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to trade receivables, deposits with banks, security deposits, cash and cash equivalents, investments in securities and employee loans, etc.

(2) Financial instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:



SHEELA FOAM LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2023

- Business Model Test: The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- Cash Flow Characteristics Test: The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Profit and Loss.

When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

(3) Financial instruments measured at Fair Value Through Profit and Loss (FVTPL)

Fair Value through Profit and Loss is a residual category. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified as FVTPL. Financial instruments included in FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements i.e. gain or loss and interest income are recorded in Statement of Profit and Loss. This category comprises of investments in mutual funds and market linked debentures.

(c) **Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial Assets measured at amortized cost;
- Financial Assets measured at FVTOCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Financial assets that are debt instruments, and are measured at amortized cost i.e. trade receivables, deposits with banks, security deposits, employee loans, etc.
- Financial assets that are debt instruments and are measured at FVTOCI.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The trade receivables are initially recognized at the sale/recoverable value and are assessed at each Balance Sheet date for collectability. Trade receivables are classified as current assets, if collection is expected within twelve months as at Balance Sheet date, if not, they are classified under non-current assets.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months (Expected Credit Loss) ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is



**SHEELA FOAM LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2023**

used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on timely basis.

(d) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Balance Sheet) when:

- a. The rights to receive cash flows from the asset have been expired/ transferred; or
- b. The Company retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, borrowings, security deposits and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss, are designated as such at the initial date of recognition and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in Other Comprehensive Income. These gains/ losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the Statement of other comprehensive income.

Borrowings & Security Deposits

Any difference between the proceeds (net of transaction costs) and the repayment amount is recognized in profit or loss over the period of the liability and subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process.



SHEELA FOAM LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
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Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR.

Financial Guarantee Contract

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Trade and other payables

Trade and other payables are obligations incurred by the Company towards purchase of raw material and other goods and availing the services that have been acquired or availed in the ordinary course of business. Trade and other payables are classified under current liabilities, if payment is due within 12 months as at Balance Sheet date, if not, they are classified under non-current liabilities.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(iii) Offsetting of financial instruments :

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(iv) Derivative Financial Instruments :

Initial recognition and subsequent measurement

The Company uses derivative financial instruments to hedge its foreign currency risk and interest rate risk. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Statement of Profit or Loss and Other Comprehensive Income. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Hedge Accounting

The Company designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as cash flow hedges.

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements :-

There is an economic relationship between the hedged items and the hedging instruments,
 - the effect of credit risk does not dominate the value changes that result from that economic relationship,



SHEELA FOAM LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2023

- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit or Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit or Loss upon the occurrence of the underlying transaction.

2.6 Inventories

Raw materials, packaging materials and stores and spares parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, first-in-first-out cost method is used.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realizable value. Cost of work in progress and manufactured finished goods is determined on weighted average and its cost comprises of direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a first-in-first-out.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item-by-item basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprises of cash on hand, short term deposits with banks with original maturity of 3 months or less, highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.



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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
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2.8 Impairment of Non-Financial Assets

The Company assesses at each year end whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("cash-generating unit").

2.9 Provisions and Contingent Liabilities

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balance sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Provision for Warranty

Warranty provision is determined based on the historical percentage of warranty expense to sales for the same types of goods depending upon the warranty period offered. The percentage to the sales is applied to derive the warranty expense to be accrued. Actual warranty claims are settled against warranty provision. The warranty claims may not exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence. Closing warranty provision is bifurcated into Current and Non-current based on the past settlement trend with the non-current portion being discounted to derive the present value. The assumptions are consistent with prior years.

c) Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present



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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2023**

obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

2.10 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

IND As 115 five step model is used to recognise revenue as below:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Sales are recognized at the fair value of the consideration that can be reliably measured and reduced by variable consideration. Variable consideration includes sales returns, trade discounts, volume based incentives, and cost of promotional programs, indirect taxes as may be applicable.

The Company provides various volume based rebates to certain customers once the goods are purchased by them above a certain threshold as specified in the scheme letter. Rebates outstanding at the balance sheet date are adjusted against the amount receivable from the customer. To estimate and recognise the liability for the incentives the company uses the methods which best predicts the amount of incentives and is primarily driven by the number of volume thresholds mentioned in the contracts.

i) Sale of goods - distributors

The company operates via chain of distributors selling mattresses and home comfort products. Revenue from the such sales is recognised when control of the products being sold is transferred to distributor and when there are no longer any unfulfilled obligations. As per company's policy the performance obligations are fulfilled at the time of dispatch from the factory or warehouse.

Company's contract with trade customers do not have financing component or non-cash consideration and the Company does not have any unbilled revenue or deferred revenue.

It is the company's policy to sell its products to the end customer with a right of return within a stipulated time period. Therefore, a refund liability (included in other current liabilities) and a right to recover the returned goods (included in other current assets) are recognised for the products expected to be returned, based on estimate. Historical data and past trends are used to estimate such returns. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

The company's obligation to replace faulty products under the standard warranty terms is recognised as a provision (Refer Note 25).

ii) Sale of goods - B2B

The company manufactures and sells a range of industrial foam and cushioning foam to B2B segment. Sales are recognised when control of the products has transferred, that is when the products are dispatched from the factory or the warehouse.



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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2023

iii) Sale of services

The IT consulting division provides business IT management, design, implementation and support services under fixed-price and variable-price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Other Income

i) Interest income from Bonds

Interest income from bonds at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

ii) Rental income

Rental income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

iii) Guarantee Commission

The Company earns guarantee commission on the guarantee given to Bank for the credit facility availed by its foreign subsidiaries.

iv) Income from sale of investments

The Company earns profit/loss on sale of bonds and mutual funds. When these investments are sold, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss.

2.11 Government Grants / Subsidy

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

2.12 Employee Benefits

a. Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short-term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia, performance incentive/pay etc, are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.



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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2023**

b. Long Term Benefit

The employees of the Company are entitled to long service award (LSA), as retention earned leave, after completion of service of five years, which can be en-cashed or accumulated till retirement. The liability towards LSA is provided for on accrual basis as estimated by the management.

c. Post-Employment Benefits

i. Defined contribution plan:

(A) **Provident fund:**

Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss..

(B) **Employee's State Insurance Scheme:**

Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

ii. Defined benefit plan

Gratuity:

The company provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the Other Comprehensive Income in the year in which they arise. Liability is funded through a separate Gratuity Trust. The short/ excess of gratuity liability as compared to the net fund held by the Gratuity Trust is accounted for as liability/ asset as at the Balance Sheet date.

d. Other Long-Term Benefits

Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under defined benefit plans can be encashed only on discontinuation of service by employee.



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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2023

2.13 Leases

As a Lessee

The Company's lease assets classes primarily consist of leases for Land & Buildings. The Company assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense in the statement of profit and loss. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company separately recognizes the interest expense on the lease liability as finance cost and the depreciation expense on the right-of-use asset.

Payments associated with short-term leases of warehouses are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Company has applied the practical expedient wherein it relied on its assessment of whether leases are onerous immediately before the date of initial application.

As a Lessor

Lease income from operating lease is recognized on a straight-line basis or another systematic basis as per the terms of the relevant lease. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as lease income.

2.14 Foreign Currency Transactions

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.



SHEELA FOAM LIMITED
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Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.15 Taxation

Tax expense for the year comprises of Current Tax and Deferred Tax are included in the determination of the net profit or loss for the year.

a. Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b. Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.



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Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.16 Dividend Distribution:

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Company and is declared by the shareholders. A corresponding amount is recognized directly in the Equity.

2.17 Earnings per Share:

Basic earnings per share is calculated by dividing net profit/loss of the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding without a corresponding change in the resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.18 Contributed Equity:

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.



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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
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2.20 Standards (including amendments) issued but not yet effective.

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023, to amend certain Ind ASs which are effective from 01 April 2023: Below is a summary of such amendments:

(i) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements

The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(ii) Definition of Accounting Estimates - Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The amendments are not expected to have a material impact on the Company's financial statements.

2.21 Standards that became effective during the year

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from 01 April 2022

(i) Onerous Contracts- Cost of Fulfilling a Contract - Amendments to Ind AS 37

Ind AS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Company has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to Ind AS 37 clarify, that the costs relating directly to the contract consist of both:

- The incremental costs of fulfilling that contract- e.g. direct labour and material; and
- An allocation of other costs that relate directly to fulfilling contracts: e.g. Allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

These amendments have no impact on the financial statements of the Company.



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(ii) References to the Conceptual Framework - Amendments to Ind AS 103

The amendments update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendment also add a new exception in Ind AS 103 for liabilities and contingent liabilities.

These amendments have no impact on the financial statements of the Company.

(iii) Property, Plant and Equipment: Proceeds Before Intended Use- Amendment to Ind AS 16

The amendment to Ind AS 16 clarifies that any excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

These amendments had no impact on the year-end financial statements of the Company as there were no sales of such items.

(iv) Ind AS 109 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liability

The amendment clarifies which fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the year.



Sheela Foam Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

| Particulars | (Rs. in Lakhs) | | | | | | | | |
|----------------------------------|-----------------|-------------------------------------|-------------------|------------------------|----------|------------------|---------------------|-------------------------------------|--------------------------|
| | Land - freehold | Buildings (Including Roads & Lanes) | Plant & Equipment | Furniture and fixtures | Vehicles | Office equipment | Electrical fittings | Total property, plant and equipment | Capital work-in-progress |
| At cost or deemed cost | | | | | | | | | |
| As at April 1, 2021 | 1,699.02 | 14,700.50 | 18,373.86 | 1,194.10 | 989.99 | 1,632.35 | 960.45 | 39,560.27 | 117.06 |
| Additions | - | 41.45 | 975.80 | 79.84 | 280.27 | 221.23 | 9.63 | 1,607.22 | 2,300.54 |
| Disposals/transfer* | - | (9.09) | (598.34) | (2.08) | (85.38) | (13.68) | (2.62) | (711.19) | (2,353.82) |
| As at March 31, 2022 | 1,699.02 | 14,732.86 | 18,761.32 | 1,270.86 | 1,184.88 | 1,839.90 | 967.46 | 40,446.30 | 63.78 |
| Additions | 29.11 | 1,872.64 | 933.63 | 61.12 | 485.79 | 243.52 | 2.03 | 3,627.84 | 980.66 |
| Disposals/transfer* | - | (9.02) | (166.83) | (17.40) | (80.82) | (88.89) | (0.23) | (360.89) | (855.66) |
| As at March 31, 2023 | 1,728.13 | 16,596.48 | 19,518.12 | 1,314.68 | 1,589.85 | 1,995.73 | 969.26 | 43,713.15 | 188.78 |
| Accumulated depreciation | | | | | | | | | |
| As at April 1, 2021 | - | 4,257.50 | 7,653.41 | 507.21 | 541.22 | 809.81 | 425.74 | 14,194.89 | - |
| Depreciation charge for the year | - | 1,047.44 | 1,559.13 | 129.72 | 134.34 | 180.74 | 74.32 | 3,125.70 | - |
| Disposals/adjustments | - | (1.46) | (302.31) | (1.46) | (60.56) | (9.64) | (0.41) | (375.84) | - |
| As at March 31, 2022 | - | 5,303.49 | 8,910.23 | 635.47 | 615.00 | 980.91 | 498.66 | 16,944.76 | - |
| Depreciation charge for the year | - | 1,242.00 | 1,382.71 | 128.20 | 203.56 | 273.68 | 65.06 | 3,286.19 | - |
| Disposals/adjustments | - | (3.03) | (107.32) | (7.77) | (44.96) | (73.15) | (0.20) | (236.43) | - |
| As at March 31, 2023 | - | 6,542.46 | 10,185.62 | 755.90 | 773.60 | 1,181.42 | 564.52 | 20,003.52 | - |
| Net carrying amount | | | | | | | | | |
| As at March 31, 2022 | 1,699.02 | 9,429.37 | 9,841.10 | 635.39 | 569.88 | 858.98 | 467.80 | 23,501.54 | 63.78 |
| As at March 31, 2023 | 1,728.13 | 10,054.02 | 9,332.50 | 558.88 | 816.25 | 815.31 | 404.74 | 23,709.83 | 188.78 |

*Capital work in progress 'Disposal/transfer' includes Rs. Nil (March 31,2022: Rs. 1.819 Lakhs) sold to its wholly owned subsidiary International Comfort Technologies Private Limited

Notes:

a. Property, plant and equipment has been pledged as security amounted Rs.15,600 Lakhs (March 31, 2022: Rs. 15,600 Lakhs) against the financial guarantee of EURO 20 million on September 25, 2019 towards term loan granted by Citi Bank, Spain for its subsidiary Company International Foam Technologies S.L, Spain.

b. Refer note no. 51 for disclosure of commitment for expenditure on account of acquisition of Property, plant and equipment.

c. Refer note no. 43 for disclosure of title deeds of immovable properties not held in the name of the Company.

d. Capital Work-in-progress represents assets under construction & installation at various sites and ageing analysis is as below:

| Capital Work-in-progress | March 31, 2023 | | | | | March 31, 2022 | | | | |
|--------------------------|--|-----------|-----------|-------------------|--------|--|-----------|-----------|-------------------|-------|
| | Amount in Capital Work-in-progress for a period of | | | | Total | Amount in Capital Work-in-progress for a period of | | | | Total |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 188.78 | - | - | - | 188.78 | 63.78 | - | - | - | 63.78 |



Sheela Foam Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023

NOTE 4 : RIGHT-OF-USE ASSETS

| Particulars | (Rs. in Lakhs) | | |
|--|-----------------|---------------|-----------------|
| | Leasehold land | Buildings | Total |
| Cost | | | |
| At April 1, 2021 | 2,046.03 | 31.97 | 2,078.00 |
| Additions | 173.52 | 275.49 | 449.01 |
| Disposal/transfer | (549.46) | - | (549.46) |
| As at March 31, 2022 | 1,670.09 | 307.46 | 1,977.55 |
| Additions | - | 40.54 | 40.54 |
| Disposal/transfer | (5.61) | (266.95) | (272.56) |
| As at March 31, 2023 | 1,664.48 | 81.05 | 1,745.53 |
| Accumulated Depreciation | | | |
| At April 1, 2021 | 41.66 | 21.35 | 63.01 |
| Charge for the year | 19.51 | 72.01 | 91.52 |
| Disposal/transfer | (12.10) | - | (12.10) |
| As at March 31, 2022 | 49.07 | 93.36 | 142.43 |
| Charge for the year | 20.51 | 40.49 | 61.00 |
| Disposal/transfer | - | (68.99) | (68.99) |
| As at March 31, 2023 | 69.58 | 44.86 | 114.44 |
| Net book value as at March 31, 2022 | 1,621.02 | 214.10 | 1,835.12 |
| Net book value as at March 31, 2023 | 1,594.90 | 36.19 | 1,631.09 |

(i) Refer note no. 46 for detailed disclosures as per IND AS 116 "Leases".

NOTE 5 : INVESTMENT PROPERTY

| Particulars | (Rs. in Lakhs) | | | |
|--|----------------|---------------|---------------|---------------|
| | Leasehold land | Freehold land | Buildings | Total |
| Cost | | | | |
| At April 1, 2021 | 68.47 | 10.90 | 432.30 | 511.67 |
| Additions | - | - | - | - |
| Disposal/transfer | - | - | - | - |
| As at March 31, 2022 | 68.47 | 10.90 | 432.30 | 511.67 |
| Additions | - | - | - | - |
| Disposal/transfer | - | - | - | - |
| As at March 31, 2023 | 68.47 | 10.90 | 432.30 | 511.67 |
| Accumulated Depreciation | | | | |
| At April 1, 2021 | 4.55 | - | 122.68 | 127.23 |
| Charge for the year | 0.91 | - | 20.83 | 21.74 |
| Disposal/transfer | - | - | - | - |
| As at March 31, 2022 | 5.46 | - | 143.51 | 148.97 |
| Charge for the year | 0.91 | - | 19.29 | 20.20 |
| Disposal/transfer | - | - | - | - |
| As at March 31, 2023 | 6.37 | - | 162.80 | 169.17 |
| Net book value as at March 31, 2022 | 63.01 | 10.90 | 288.79 | 362.70 |
| Net book value as at March 31, 2023 | 62.10 | 10.90 | 269.50 | 342.50 |

Notes:

- a. Refer 'Para- 2.3' of Significant Accounting Policies' for depreciation and measurement of investment property.
b. The leasehold land has been amortised during the year by Rs. 0.91 Lakhs (Previous Year : Rs. 0.91 Lakhs) as per the accounting policy in terms of the Ind AS-40 on 'Investment Property'.

c. Income from investment property

| Particulars | (Rs. in Lakhs) | |
|---|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Rental Income derived from investment property | 216.63 | 214.73 |
| Profit arising from investment property before depreciation | 216.63 | 214.73 |
| (Less): Depreciation for the year | (20.20) | (21.74) |
| Net Profit arising from investment property | 196.43 | 192.99 |

d. The Company has obtained independent valuation for its investment properties at Rs.2,884.95 Lakhs as on March 31, 2023 and Rs. 2,591.31 Lakhs as on March 31, 2022. These valuations are based on valuations performed by K.S. Agrawal Associates, an accredited independent valuer. K.S. Agrawal Associates is a specialist in valuing these types of investment properties and reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an asset of equivalent utility, depreciation and obsolescence.
Fair market value is the amount expressed in terms of money that may reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that Company shall continue to operate and run the assets to have economic utility. The fair value is on 'as is where is' basis.

e. There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements thereof and there are no restrictions on remittance of income and proceeds of disposal.

f. The investment properties which are leasehold properties, realisability of the same is subject to the terms and conditions under the respective lease agreements.

g. The Company's Investment Properties are given on cancellable lease for a period 1-10 years.



Sheela Foam Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2023

NOTE 6 : INVESTMENTS IN SUBSIDIARIES

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|--|-------------------------|------------------|-------------------------|------------------|
| | Number | Rs. in Lakhs | Number | Rs. in Lakhs |
| Investment in equity shares (Unquoted, at cost) (fully paid up) | | | | |
| Joyce Foam PTY. Limited - Face value per share of Aud \$ 10/- each | 6,58,500 | 2,306.59 | 6,58,500 | 2,306.59 |
| Divya Software Solutions Private Limited- Face value per share of Rs. 10/- each | 94,633 | 7,602.00 | 94,633 | 7,602.00 |
| Sleepwell Enterprises Private Limited- Face value per share of Rs. 10/- each | 10,500 | 109.20 | 10,500 | 109.20 |
| International Foam Technologies SL, Spain - Face value per share of Euro 1/-each | 1,20,03,000 | 9,638.86 | 1,20,03,000 | 9,638.86 |
| Staqo World Private Limited - Face value per share of Rs. 10/- each | 10,000 | 0.73 | 10,000 | 0.73 |
| International Comfort Technologies Private Limited - Face value per share of Rs. 10/- each | 1,00,000 | 10.00 | 1,00,000 | 10.00 |
| Total | 1,28,76,633 | 19,667.38 | 1,28,76,633 | 19,667.38 |
| Aggregate amount of Unquoted Investments | | 19,667.38 | | 19,667.38 |
| Aggregate amount of impairment in value of investments | | - | | - |

NOTE 6.1 : INFORMATION ABOUT SUBSIDIARIES

| Name of the Company and Country of Incorporation | Principal Activities | (% of Shareholding) | |
|---|--|-------------------------|-------------------------|
| | | As at March 31, 2023 | As at March 31, 2022 |
| Joyce Foam PTY. Limited, Australia | Manufacturer of technical foam supplied to Business customers (mattress and furniture manufacturers) | 100 | 100 |
| Divya Software Solutions Private Limited, India | Software development and related ancillary activities | 100 | 100 |
| Sleepwell Enterprises Private Limited, India | Providing of its Trademarks, Patents, Logos etc. and earning royalty thereon | 100 | 100 |
| International Foam Technologies SL, Spain | To invest in a Wholly Owned Subsidiary Company in Spain, engaged in manufacturing of Polyurethane Foam | 100 | 100 |
| Staqo World Private Limited, India | Information technology and related ancillary activities | 100 | 100 |
| International Comfort Technologies Private Limited, India | Manufacturer of mattresses supplied to domestic & overseas customers | 100 | 100 |

The country of Incorporation or registration is also their principal place of business

NOTE 7 : INVESTMENT IN PREFERENCE SHARES

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|----------------------|-----------------|----------------------|-----------------|
| | Number | Rs. in Lakhs | Number | Rs. in Lakhs |
| Investment in 5% optionally convertible preference shares (Unquoted, at cost) (fully paid up) | | | | |
| International Comfort Technologies Private Limited of Rs. 10/- each | 2,99,00,000 | 2,990.00 | 2,99,00,000 | 2,990.00 |
| | 2,99,00,000 | 2,990.00 | 2,99,00,000 | 2,990.00 |
| Aggregate amount of Unquoted Investment | | 2,990.00 | | 2,990.00 |
| Aggregate amount of impairment in value of investment | | - | | - |

NOTE 8 : OTHER INVESTMENTS

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| In Bonds & Debentures - fully paid up | | |
| Carried at amortised cost - Unquoted | 0.35 | 0.35 |
| Carried at fair value through Other Comprehensive Income - Quoted | - | 47,876.02 |
| Carried at fair value through Profit & Loss - Unquoted | 5,640.94 | 5,006.80 |
| Total Investments | 5,641.29 | 52,883.17 |
| Aggregate amount of Quoted Investments | - | 47,876.02 |
| Market value of Quoted Investments | - | 47,876.02 |
| Aggregate amount of Unquoted Investment | 5,641.29 | 5,007.15 |
| Aggregate amount of impairment in value of Investments | - | - |

The above bonds and debentures carries coupon rate ranging from 8% to 10.50% (March 31, 2022 8% to 10.50%).



Sheela Foam Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023

NOTE 9 : LOANS (NON CURRENT)

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (Unsecured, considered good) | | |
| At amortised cost | | |
| Loans to employees | 10.53 | 7.60 |
| Loan to Subsidiaries (refer note no. 45 & 60) | 12,218.61 | 7,770.40 |
| Total | 12,229.14 | 7,778.00 |

NOTE 10 : OTHER FINANCIAL ASSETS (NON CURRENT)

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (Unsecured, considered good) | | |
| Security deposits | 302.08 | 371.90 |
| Deposits with banks: | | |
| - held as margin money | 1.34 | 1.34 |
| Lease receivable (refer note no. 45 & 46B) | 1,394.65 | 1,533.85 |
| Total | 1,698.07 | 1,907.09 |

NOTE 11 : NON CURRENT TAX ASSETS (NET)

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Advance income tax (net of provision of Rs.12,814.16 Lakhs (March 31,2022 Rs.24,890.64 Lakhs)) | 671.16 | 463.33 |
| Total | 671.16 | 463.33 |

NOTE 12 : OTHER NON CURRENT ASSETS

| Particulars | (Rs. in Lakhs) | |
|-------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (Unsecured, considered good) | | |
| Capital advances* | 137.83 | 181.20 |
| Prepaid rent | 38.48 | 38.82 |
| Loan & advances | 147.36 | 40.00 |
| Total | 323.67 | 260.02 |

*For value of Contracts in capital account remaining to be executed (refer note no. 51).

NOTE 13 : INVENTORIES

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (Valued at lower of cost and net realisable value unless otherwise stated) | | |
| Raw materials | 8,129.77 | 8,999.79 |
| Raw materials (In transit) | 1,718.03 | 2,702.45 |
| Work-in-progress | 5,013.43 | 4,912.92 |
| Finished goods | 972.70 | 1,281.82 |
| Stock-in-trade | 1,429.24 | 840.21 |
| Packing materials | 536.34 | 726.38 |
| Packing materials (In transit) | 35.29 | 54.88 |
| Stores and spares | 1,041.18 | 797.06 |
| Tools & spares (In transit) | 18.39 | 31.10 |
| Total | 18,894.37 | 20,348.61 |

Notes:

- (1) Value of inventories above is net of provision for slow moving/ obsolete inventories amounting to Rs. 23.79 Lakhs (March 31, 2022: Rs.10.89 Lakhs) for write-down to net realisable value and provision for slow-moving and obsolete items.
- (2) Inventories held by Company are subject to hypothecation by bankers towards working capital limits obtained by the Company but not utilised till March 31, 2023.



Sheela Foam Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023

NOTE 14 : INVESTMENTS

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| In Mutual Funds - fully paid up | | |
| Carried at fair value through profit and loss- Quoted | 70,647.60 | 8,398.45 |
| Total Investments | 70,647.60 | 8,398.45 |
| Aggregate amount of Quoted Investments | 70,647.60 | 8,398.45 |
| Aggregate market value of Quoted Investments | 70,647.60 | 8,398.45 |

NOTE 15 : TRADE RECEIVABLES

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (At amortised cost) | | |
| Unsecured | | |
| Trade receivables - considered good (refer note below) | 16,400.40 | 13,601.78 |
| Trade receivables - considered doubtful | 219.47 | 58.97 |
| Trade receivables (gross) | 16,619.87 | 13,660.75 |
| Less: Impairment allowance for trade receivables considered doubtful | (219.47) | (58.97) |
| Total | 16,400.40 | 13,601.78 |
| Further classified as | | |
| Receivable from related parties (refer note no. 45) | 4,209.84 | 198.81 |
| Receivable from others | 12,190.56 | 13,402.97 |
| | 16,400.40 | 13,601.78 |

Note :

- No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.
- Trade receivables are usually non-interest bearing and are on trade terms of 0 - 60 days.
- For trade receivables, the Company has applied the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

d. Movement in the expected credit loss allowance

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Balance at the beginning of the year | 58.97 | 58.97 |
| Charge / (reversal) in allowance during the year (net) | 160.50 | - |
| Balance at the end of the year | 219.47 | 58.97 |

- Refer note no. 49 for information about credit and market risk of trade receivables.
- Realization from trade receivables held by Company are subject to hypothecation by bankers towards working capital limits obtained by the Company
- Below is the ageing analysis of trade receivables

| Particulars | (Rs. in Lakhs) | | | | | | |
|--|-----------------|--------------------|-------------------|---------------|-------------|-------------------|------------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | more than 3 years | Total |
| (i) Undisputed trade receivables | | | | | | | |
| - considered good | 8,866.60 | 7,359.73 | 93.11 | 53.78 | 5.84 | 21.34 | 16,400.40 |
| - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (ii) Disputed trade receivables | | | | | | | |
| - considered good | - | 39.53 | 40.13 | 122.51 | - | 17.30 | 219.47 |
| - which have significant increase in credit risk | - | - | - | - | - | - | - |
| Total | 8,866.60 | 7,399.26 | 133.24 | 176.29 | 5.84 | 38.64 | 16,619.87 |



Sheela Foam Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023

| As on March 31, 2022 | Outstanding for following periods from due date of payment | | | | | | (Rs. in Lakhs) | |
|--|--|-----------------|--------------------|-------------------|--------------|--------------|-------------------|-------|
| | Particulars | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | more than 3 years | Total |
| (i) Undisputed trade receivables | | | | | | | | |
| - considered good | 7,702.42 | 5,790.49 | 67.32 | 6.92 | 2.97 | 28.86 | 13,590.98 | |
| - which have significant increase in credit risk | - | - | - | - | - | - | - | |
| (ii) Disputed trade receivables | | | | | | | | |
| - considered good | - | - | - | 2.80 | - | - | 2.80 | |
| - which have significant increase in credit risk | - | 7.94 | 1.35 | 5.35 | 33.25 | 11.08 | 68.97 | |
| Total | 7,702.42 | 5,798.43 | 68.67 | 15.07 | 36.22 | 39.94 | 13,660.75 | |

NOTE 16 : CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Balance Sheet as follows:

| Particulars | (Rs. in Lakhs) | |
|--|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Balance with banks : | | |
| Current accounts | 1,034.20 | 481.84 |
| Fixed deposits account with an original maturity of less than three months | 1.00 | 933.67 |
| Cash on hand | 7.41 | 15.65 |
| Total | 1,042.61 | 1,431.36 |

Note:

- a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior year.
b) Cash balances with bank earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of one to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

NOTE 17 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| Particulars | (Rs. in Lakhs) | |
|--|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Deposits having original maturity more than 3 months but less than 12 months | 26.65 | 31.58 |
| Total | 26.65 | 31.58 |

Note:

Other bank balances represent fixed deposits with banks.

NOTE 18 : LOANS

| Particulars | (Rs. in Lakhs) | |
|------------------------------|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (Unsecured, considered good) | | |
| At amortised cost | | |
| Loans to employees | 59.07 | 55.07 |
| Inter-corporate deposits | - | 500.00 |
| Total | 59.07 | 555.07 |

Note:

In the above no loans or advances are granted to promoters, directors, KMP and related parties

NOTE 19 : OTHER FINANCIAL ASSETS (CURRENT)

| Particulars | (Rs. in Lakhs) | |
|---|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (Unsecured, considered good) | | |
| Interest accrued but not due on deposits with Banks, bonds and debentures | 5.57 | 1,983.16 |
| Interest accrued on loan given to subsidiary companies (refer note no 45) | 403.82 | 83.27 |
| Insurance claim receivable | 0.22 | 0.11 |
| Other Receivables (refer note no. 45) | 88.88 | - |
| Lease receivable (refer note no. 45 & 46B) | 129.72 | 107.88 |
| Other loans & advances (refer note below) | 11.79 | 643.35 |
| Total | 640.00 | 2,817.77 |

Note:

Other loans & advances comprise of advances to staff for expenses and advances to other parties etc.



Sheeta Foam Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023

NOTE 20 : OTHER CURRENT ASSETS

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (Unsecured, considered good) | | |
| Advance to contractors/suppliers | 1,429.90 | 651.87 |
| Balances with Statutory/Government authorities: | | |
| - Excise & Custom | 250.80 | 13.58 |
| - GST | 904.09 | 216.59 |
| - VAT/Sales Tax | 486.14 | 486.14 |
| Prepaid expenses (refer note (a)) | 418.84 | 322.32 |
| Lease equalisation | 68.24 | 66.33 |
| Right to recover return goods (refer note (b)) | 146.12 | 166.14 |
| Total | 3,704.13 | 1,922.97 |

(a) Prepaid expenses includes amount of Rs. 47 Lakhs towards amount available for set off in pursuant of sub-rule(3) of rule 7 of the Companies (Corporate social responsibility policy) rules, 2014 (refer note no. 57).

(b) In certain cases, the Company provides its customers right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, the Company recognises Liability for expected sales return, a receivables on expected sales return (and corresponding adjustment to change in inventory is also recognised for the receivables on expected sales return from a customer).



Sheela Foam Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023

NOTE 21 : EQUITY SHARE CAPITAL

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (a) Authorised share capital: 20,00,00,000 fully paid equity shares of Rs. 5/- each (March 31, 2022 : 8,80,21,000 fully paid equity shares of Rs. 5/- each) | 10,000.00 | 4,401.05 |
| | <u>10,000.00</u> | <u>4,401.05</u> |
| Issued, subscribed & paid up share capital: 9,75,65,616 fully paid equity shares of Rs. 5/- each (March 31, 2022 : 4,87,82,808 equity shares of Rs. 5/- each) | 4,878.28 | 2,439.14 |
| Total | <u>4,878.28</u> | <u>2,439.14</u> |

(b) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

| | As at March 31, 2023 | | As at March 31, 2022 | |
|--|-------------------------|-----------------|-------------------------|-----------------|
| | Number of shares | Rs. in Lakhs | Number of shares | Rs. in Lakhs |
| At the beginning of the year | 4,87,82,808 | 2,439.14 | 4,87,82,808 | 2,439.14 |
| Bonus shares issued during the year (refer note no. 21(e)) | <u>4,87,82,808</u> | <u>2,439.14</u> | - | - |
| Outstanding at the end of the year | <u>9,75,65,616</u> | <u>4,878.28</u> | <u>4,87,82,808</u> | <u>2,439.14</u> |

(c) Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 5/- per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity Shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

(d) Details of shareholders holding more than 5% shares in the Company

| | As at March 31, 2023 | | As at March 31, 2022 | |
|---------------------------------|-------------------------|--------------|-------------------------|--------------|
| | Number of shares | % of holding | Number of shares | % of holding |
| Sh. Rahul Gautam | 1,24,18,970 | 12.73% | 62,09,485 | 12.73% |
| Smt. Namita Gautam | 1,14,31,758 | 11.72% | 57,15,879 | 11.72% |
| Sh. Tushaar Gautam | 3,41,72,628 | 35.03% | 1,70,86,314 | 35.03% |
| Rangoli Resorts Private Limited | 1,31,50,818 | 13.47% | 65,63,391 | 13.45% |
| SBI Magnum Midcap Fund | 64,70,262 | 6.60% | 43,64,301 | 8.99% |
| Kotak Emerging Equity Scheme | 63,00,847 | 6.46% | 30,84,942 | 6.32% |
| DGP Midcap Fund | 43,11,428 | 4.42% | 24,36,196 | 5.00% |

(e) Aggregate number and class of shares allotted as fully paid up by way of bonus shares

During the year 4,87,82,808 fully paid up equity shares of Rs. 5/- each, were allotted by way of bonus shares to all the shareholders in the ratio of 1:1.

(f) Shareholding of promoters & promoter group

| Shares held by promoters at the end of the year | As at March 31, 2023 | | | As at March 31, 2022 | | |
|---|-------------------------|-----------------|--------------------------------|-------------------------|-----------------|-----------------------------|
| | Number of Shares | % of holding | % Change during the year | Number of Shares | % of holding | % Change during the year |
| Promoter name | | | | | | |
| Sh. Rahul Gautam | 1,24,18,970 | 12.73% | - | 62,09,485 | 12.73% | - |
| Smt. Namita Gautam | 1,14,31,758 | 11.72% | - | 57,15,879 | 11.72% | - |
| Sh. Tushaar Gautam | 3,41,72,628 | 35.03% | - | 1,70,86,314 | 35.03% | - |
| Rangoli Resorts Private Limited | 1,31,50,818 | 13.47% | 0.02% | 65,63,391 | 13.45% | - |
| Core Mouldings Private Limited | - | - | -0.02% | 12,018 | 0.02% | - |
| Total | | <u>72.95%</u> | | | <u>72.95%</u> | |

(g) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end. However, certain bonus shares has been issued during the year, refer (e) above.



Sheela Foam Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023

NOTE 22 : OTHER EQUITY

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Capital reserve (refer note (a) below) | - | 328.57 |
| General reserve (refer note (b) below) | - | 1,716.27 |
| Retained earnings | 1,34,962.08 | 1,16,044.50 |
| Other comprehensive income | - | 423.97 |
| Cash flow hedge reserve (refer note (c) below) | (280.25) | - |
| Total | 1,34,701.83 | 1,18,513.31 |

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Capital Reserve | | |
| Opening balance | 328.57 | 328.57 |
| Bonus shares issued during the year | (328.57) | - |
| Closing balance | - | 328.57 |
| General reserve | | |
| Opening balance | 1,716.27 | 1,716.27 |
| Bonus shares issued during the year | (1,716.27) | - |
| Closing balance | - | 1,716.27 |
| Retained earnings | | |
| Opening balance | 1,16,044.50 | 96,671.76 |
| Net profit for the year | 19,485.94 | 19,731.48 |
| Bonus shares issued during the year | (394.30) | - |
| Expenses towards increase in authorised capital | (50.39) | - |
| Remeasurements of the net defined benefit plans (net of tax) | (123.67) | (356.74) |
| Closing balance | 1,34,962.08 | 1,16,044.50 |
| Other Comprehensive Income | | |
| Opening balance | 423.97 | 181.59 |
| Fair value gain/(Loss) on debt instruments (Net of Tax) | - | 242.36 |
| Realised gain from debt instruments transferred to profit and loss (Net of Tax) | (423.97) | - |
| Closing balance | - | 423.97 |
| Cash flow hedge reserve | | |
| Opening balance | - | - |
| Loss on cash flow hedge reserve (net of tax) | (280.25) | - |
| Closing balance | (280.25) | - |

Note:

(a) Capital reserve

During amalgamation of the subsidiaries in the year 2012-13, the excess of net assets taken, over the cost of consideration paid was treated as capital reserve. During the year, Company had issued bonus share in the ratio of 1:1 out of capital reserve of Rs. 328.57 Lakhs.

(b) General reserve

The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. During the year, Company had issued bonus share in the ratio of 1:1 out of general reserve of Rs. 1,716.27 Lakhs.

(c) Cash flow hedge reserve

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated under the heading of cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss.

NOTE 23 : LEASE LIABILITIES

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Lease liabilities (refer note no. 46A) | 1,815.25 | 1,930.84 |
| Total | 1,815.25 | 1,930.84 |
| Current | 127.06 | 113.12 |
| Non current | 1,488.19 | 1,826.72 |



Sheela Foam Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023

NOTE 24 : OTHER NON CURRENT FINANCIAL LIABILITIES

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Deposits from dealers and others | 2,528.16 | 4,941.19 |
| Unearned Interest Income on deposits from dealers | - | 66.00 |
| Unearned Rent Income | 20.00 | 26.89 |
| Total | 2,548.16 | 5,034.08 |

NOTE 25 : PROVISIONS

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Long-term provisions: | | |
| Provision for employee benefits: | | |
| -Compensated absences | 414.10 | 364.26 |
| Other provisions: | | |
| -Provision for warranty (refer note below) | 483.33 | 238.31 |
| Total | 897.43 | 602.57 |
| Short-term provisions: | | |
| Provision for employee benefits: | | |
| -Compensated absences | 9.86 | 9.35 |
| -Gratuity | 439.04 | 603.04 |
| Other provisions: | | |
| -Provision for warranty (refer note below) | 639.99 | 441.02 |
| Total | 1,088.89 | 1,053.41 |

Note:

Provision for warranty:

Provision is recognised for expected warranty claims on mattresses sold, based on past experience of the level of returns and in accordance with the Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets". Assumptions used for the said provision are sales return trend based on past warranty sales. The table below gives information about movement in warranty provision:

| Particulars | (Rs. in Lakhs) | |
|---------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| At the beginning of the year | 679.33 | 622.07 |
| Add : Created during the year | 1,175.79 | 983.10 |
| Less : Utilised during the year | (731.90) | (925.84) |
| At the end of the year | 1,123.22 | 679.33 |

NOTE 26 : OTHER NON CURRENT LIABILITIES

| Particulars | (Rs. in Lakhs) | |
|------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Deferred capital grant | 19.85 | 22.70 |
| Total | 19.85 | 22.70 |

The table below gives information about movement in deferred capital grant:

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| At the beginning of the year | 25.52 | 28.36 |
| Less : Reversed to statement of profit and loss | 2.83 | 2.84 |
| At the end of the year | 22.69 | 25.52 |
| Non Current | 19.85 | 22.70 |
| Current | 2.84 | 2.82 |



Sheela Foam Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023

NOTE 27 : DEFERRED TAX LIABILITIES (NET)

| Particulars | (Rs. in Lakhs) | |
|--------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Deferred tax liabilities (net) | 189.02 | 482.45 |
| Total | 189.02 | 482.45 |

Movement of deferred tax (assets)/liabilities

| Particulars | (Rs. in Lakhs) | | |
|---|-----------------|--|-----------------|
| | Opening balance | Recognised in the statement of profit or loss | Closing balance |
| As at March 31, 2023 | | | |
| Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting purposes. | 316.63 | 261.04 | 577.67 |
| Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis | (291.02) | 181.44 | (109.58) |
| Fair value gain/(loss) on financial instruments at fair value through statement of profit or loss (Net) | 62.48 | 157.87 | 220.35 |
| Remeasurements gain / (loss) of the net defined benefit plans | - | (41.59) | (41.59) |
| MTM loss on forward currency swap contract | - | (420.32) | (420.32) |
| Lease liabilities (net) | 387.94 | (370.25) | 17.69 |
| Others | 6.42 | (81.62) | (55.20) |
| Total | 482.45 | (293.43) | 189.02 |

| Particulars | (Rs. in Lakhs) | | |
|---|-----------------|--|-----------------|
| | Opening balance | Recognised in the statement of profit or loss | Closing balance |
| As at March 31, 2022 | | | |
| Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting purposes. | 796.34 | (479.71) | 316.63 |
| Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis | (32.60) | (256.42) | (291.02) |
| Fair value gain/(loss) on financial instruments at fair value through statement of profit or loss (Net) | 62.48 | (6.76) | 62.48 |
| Lease liabilities (net) | (4.00) | 391.94 | 387.94 |
| Others | - | 6.42 | 6.42 |
| Total | 828.98 | (345.53) | 482.45 |

NOTE 28 : TRADE PAYABLES

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Trade payables other than acceptances: | | |
| (i) Total outstanding dues of micro enterprises and small enterprises (refer note no. 56) | 630.91 | 444.61 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 17,845.99 | 18,941.42 |
| Total | 18,276.90 | 19,386.03 |

Note:

- Trade payables due to related parties are disclosed in note no. 45.
- Trade payables for micro and small enterprises are non interest bearing and are normally settled on 7 days to 30 days credit terms.
- Trade payables other than micro and small enterprises are non interest bearing and are normally settled on 60 days to 90 days credit terms.
- Ageing Analysis for Trade payables

As on March 31, 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|---------------------|---------------------|--------------|-------------|----------------------|------------------|
| | Unbilled Dues | Payables not due | Less than 1 Year | 1-2 years | 2-3 years | more than 3 years | |
| (i) MSME | - | 630.91 | - | - | - | - | 630.91 |
| (ii) Others | 394.67 | 17,133.25 | 99.05 | 18.54 | 0.48 | - | 17,645.99 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total | 394.67 | 17,764.16 | 99.05 | 18.54 | 0.48 | - | 18,276.90 |



Sheela Foam Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2023

As on March 31, 2022

(Rs. in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|------------------|------------------|-------------|-------------|-------------------|------------------|
| | Unbilled Dues | Payables not due | Less than 1 year | 1-2 years | 2-3 years | more than 3 years | |
| (i) MSME | - | 444.61 | - | - | - | - | 444.61 |
| (ii) Others | 3,329.69 | 15,577.11 | 30.45 | 0.68 | 3.49 | - | 18,941.42 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total | 3,329.69 | 16,021.72 | 30.45 | 0.68 | 3.49 | - | 19,386.03 |

NOTE 29 : OTHER FINANCIAL LIABILITIES (CURRENT)

(Rs. in Lakhs)

| Particulars | As at | As at |
|---|-----------------|-----------------|
| | March 31, 2023 | March 31, 2022 |
| Creditors for capital goods | 68.63 | 63.28 |
| Deposits from dealers and others | 6,283.61 | 3,986.74 |
| Liability against foreign currency swap contracts | 2,266.27 | - |
| Unearned interest income on deposits from dealers | - | 63.99 |
| Unearned rent income | 6.89 | 6.87 |
| Total | 8,627.40 | 4,130.88 |

NOTE 30 : CURRENT TAX LIABILITIES (NET)

(Rs. in Lakhs)

| Particulars | As at | As at |
|---|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Income tax payable (Net of advance tax Rs. 8,700.35 Lakhs (March 31, 2022 Rs. Nil)) | 115.53 | - |
| Total | 115.53 | - |

NOTE 31 : OTHER CURRENT LIABILITIES

(Rs. in Lakhs)

| Particulars | As at | As at |
|--|-----------------|-----------------|
| | March 31, 2023 | March 31, 2022 |
| Refund liabilities | 236.95 | 265.82 |
| Deferred capital grant (refer note (a)) | 2.84 | 2.62 |
| Contract liabilities (refer note (b)) | 3,753.61 | 3,518.65 |
| Statutory dues payable | 1,575.51 | 1,368.51 |
| Employees & other Liabilities (refer note (c)) | 1,961.39 | 2,057.51 |
| Total | 7,548.30 | 7,213.31 |

Notes:

- a) Refer note no. 26 for the movement in deferred capital grant.
b) Consists of advances received from customers towards supply of products.
c) Consists of liabilities pertaining to employees of Rs.1,894.43 Lakhs (March 31, 2022 of Rs. 2,025.79 Lakhs).



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Notes forming part of the standalone financial statements for the year ended March 31, 2023

NOTE 32 : REVENUE FROM OPERATIONS

| Particulars | (Rs. In Lakhs) | |
|--------------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Sale of products (refer note below) | 2,00,908.46 | 2,00,027.38 |
| Sale of services | 631.68 | 605.13 |
| | <u>2,01,540.14</u> | <u>2,00,632.51</u> |
| Other operating revenue | | |
| -Income from sale of processed scrap | 440.86 | 175.12 |
| -Other Operating Revenue | 0.66 | 13.36 |
| Total | <u>2,01,987.56</u> | <u>2,00,820.99</u> |

Note:

Includes sale of finished goods and semi-finished goods and services to related parties (refer note no. 45)

Reclassifications and comparative figures:-

Certain reclassifications have been made to the comparative year's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been reclassified in the statement of profit and loss, the details of which are as under:

Items of Statement of Profit and Loss before and after reclassification for the year ended March 31, 2022

| Particulars | (Rs. In Lakhs) | | |
|----------------------------|-----------------------------------|------------------|----------------------------------|
| | Amount before reclassification | Reclassification | Amount after reclassification |
| Revenue from operations | 2,12,443.99 | (11,623.00) | 2,00,820.99 |
| Cost of Materials Consumed | 1,25,119.54 | 3,475.00 | 1,28,594.54 |
| Other Expenses | 42,885.27 | (15,088.00) | 27,797.27 |

NOTE 32.1 : DISAGGREGATED REVENUE INFORMATION

Set out below is the disaggregation of the Company's revenue from contracts with customers

| Particulars | (Rs. in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Geographical Revenue | | |
| Type of goods | | |
| Revenue from external customers | 2,00,908.46 | 2,00,027.38 |
| Total revenue from contracts with customers | | |
| India | 1,99,653.77 | 1,95,442.02 |
| Outside India | 1,254.69 | 4,585.36 |
| | <u>2,00,908.46</u> | <u>2,00,027.38</u> |
| Type of services (IT Support Services) | | |
| Revenue from external customers | 631.68 | 605.13 |
| Total revenue from contracts with customers | | |
| India | 205.90 | 179.45 |
| Outside India | 425.78 | 425.68 |
| | <u>631.68</u> | <u>605.13</u> |
| Total revenue from contracts with customers | <u>2,01,540.14</u> | <u>2,00,632.51</u> |

NOTE 32.2 : CONTRACT BALANCES

The following table provides information about receivables and contract liabilities from contract with customers.

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Contract Liabilities | | |
| Advance from customers (refer note no. 31) | 3,753.61 | 3,518.65 |
| Receivables | | |
| Trade Receivables (refer note no.15) | 16,400.40 | 13,601.78 |

Receivables is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the Company's obligation to transfer goods or services to a customer for which the Company has received consideration from the customer in advance.



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Notes forming part of the standalone financial statements for the year ended March 31, 2023

NOTE 32.3 : RECONCILING THE AMOUNT OF REVENUE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS WITH THE CONTRACTED PRICE.

| Particulars | (Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Revenue as per contracted price (goods and services) | 2,20,422.42 | 2,17,616.54 |
| Less: Adjustments: | | |
| Sales return | 793.97 | 1,260.72 |
| Rebate and discount | 18,088.91 | 15,723.31 |
| Revenue from contracts with customers | <u>2,01,540.14</u> | <u>2,00,632.51</u> |

NOTE 32.4 : PERFORMANCE OBLIGATIONS

The performance obligation for sale of product is considered as fulfilled according to the terms agreed with the respective customer. The performance obligation for sale of services is satisfied over the period of time as per contract with customers.

NOTE 33 : OTHER INCOME

| Particulars | (Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Interest income from: | | |
| Financial assets at amortised cost | | |
| Bank deposits | 14.12 | 7.33 |
| Loan given to subsidiary companies (refer note no. 45) | 350.23 | 170.42 |
| Inter-corporate deposit | 28.48 | 45.00 |
| Others | 194.61 | - |
| Financial assets at fair value | | |
| Currency swap forward contract | 335.17 | - |
| Bonds | 2,646.85 | 3,713.11 |
| Unwinding of discount of deposits & lease receivable | 140.14 | 38.58 |
| Income tax refund | 172.77 | 5.88 |
| Other non operating income | | |
| Guarantee commission (refer note no. 45) | 121.90 | 107.17 |
| Rental income (refer note (a)) | 250.69 | 239.21 |
| Gain on sale/disposal of fixed assets | 48.56 | 107.95 |
| Liabilities/provisions no longer required written back | 11.06 | 59.43 |
| Income from sale of Mutual fund - designated at fair value through profit and loss | 889.31 | 541.57 |
| Income from sale of bond - designated at fair value through other comprehensive income | 975.30 | 886.91 |
| Fair valuation adjustments of Investments through profit and loss (refer note no.(b)) | 872.62 | - |
| Subsidy Income | 2.84 | 2.84 |
| Sale of non-processed scrap | 633.46 | 572.20 |
| Net gain on foreign currency transactions and translations | 88.63 | 684.71 |
| Other miscellaneous income | 84.03 | 40.07 |
| Total | <u>7,861.27</u> | <u>7,022.38</u> |

Note:

- a. Includes rental income of Rs. 216.63 Lakhs (March 31, 2022: Rs. 214.73 Lakhs) from investment property (refer note no. 5).
b. Fair value through profit and loss of Investments represent fair valuation changes in mutual funds which includes dividend declared and not distributed (distributed based on record dates) as at reporting dates which have not been recognised in financial statements.

NOTE 34 : COST OF MATERIALS CONSUMED

| Particulars | (Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Raw material | | |
| Opening inventory | 11,702.24 | 15,016.93 |
| Add: Purchases | 1,08,959.99 | 1,22,234.22 |
| Less: Sales/adjustments | 4,597.98 | 4,445.35 |
| Less: Closing inventory (including goods in transit of Rs. 1,718.03 Lakhs (March 31, 2022: Rs 2,702.45 Lakhs)) | <u>9,847.80</u> | <u>11,702.24</u> |
| Raw materials consumed | <u>1,06,216.45</u> | <u>1,21,103.56</u> |
| Packing Material | | |
| Opening inventory | 781.26 | 648.24 |
| Add: Purchases | 7,405.67 | 8,389.08 |
| Less: Sales/adjustments | 520.70 | 765.08 |
| Less: Closing inventory (including goods in transit of Rs.35.29 Lakhs (March 31, 2022: Rs 54.88 Lakhs)) | <u>571.63</u> | <u>781.26</u> |
| Packing materials consumed | <u>7,094.60</u> | <u>7,490.98</u> |
| Cost of materials consumed | <u>1,13,311.05</u> | <u>1,28,594.54</u> |



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Notes forming part of the standalone financial statements for the year ended March 31, 2023

NOTE 35 : PURCHASE OF STOCK-IN-TRADE

| Particulars | (Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Traded Goods -Bed sheets/comforters/PU foam/spring/coir mattresses | 14,887.73 | 5,331.06 |
| Total | 14,887.73 | 5,331.06 |

NOTE 36 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

| Particulars | (Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Closing stock: | | |
| Finished goods | 972.70 | 1,281.82 |
| Stock-in-trade | 1,429.24 | 840.21 |
| Work-in-progress | 5,013.43 | 4,912.92 |
| Right to recover return goods | 146.12 | 166.14 |
| | 7,561.49 | 7,201.09 |
| Opening stock: | | |
| Finished goods | 1,281.82 | 1,075.13 |
| Stock-in-trade | 840.21 | 138.23 |
| Work-in-progress | 4,912.92 | 5,122.10 |
| Right to recover return goods | 166.14 | - |
| | 7,201.09 | 6,335.46 |
| Changes in inventories of finished goods, Stock-in-Trade and work-in-progress | (360.40) | (865.63) |

NOTE 37 : OTHER MANUFACTURING EXPENSES

| Particulars | (Rs. in Lakhs) | |
|------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Power and fuel | 780.93 | 755.30 |
| Repair and maintenance: | | |
| - Buildings | 238.53 | 119.29 |
| - Plant and equipment | 941.60 | 906.46 |
| Processing and other charges | 1,664.95 | 1,620.77 |
| Total | 3,626.01 | 3,401.82 |

NOTE 38 : EMPLOYEE BENEFITS EXPENSE

| Particulars | (Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Salaries, wages, allowance, and other benefits | 12,391.62 | 11,275.92 |
| Contribution to gratuity (refer note no. 44) | 273.77 | 167.29 |
| Contribution to provident and other funds | 712.60 | 654.37 |
| Workmen and staff welfare | 1,141.29 | 1,090.43 |
| Total | 14,519.48 | 13,188.01 |

NOTE 39 : FINANCE COSTS

| Particulars | (Rs. in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Interest expense: (on financial liabilities measured at amortised cost) | | |
| - Security deposits | 526.92 | 523.06 |
| - On lease liabilities | 91.73 | 112.83 |
| - Others | 7.16 | 50.77 |
| Bank Charges | 11.57 | 24.29 |
| Total | 637.38 | 710.95 |

NOTE 40 : DEPRECIATION AND AMORTISATION EXPENSE

| Particulars | (Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Depreciation of property, plant and equipment (refer note no. 3) | 3,295.19 | 3,125.70 |
| Depreciation on right-of-use assets (refer note no. 4) | 61.00 | 91.52 |
| Depreciation on investment property (refer note no. 5) | 20.20 | 21.74 |
| Total | 3,376.39 | 3,238.96 |



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NOTE 41 : OTHER EXPENSES

| Particulars | (Rs. in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| IT Support services | 1,640.25 | 1,320.00 |
| Freight and forwarding | 8,880.66 | 9,203.50 |
| Rent and hire | 388.75 | 151.30 |
| Insurance | 619.93 | 463.81 |
| Rates and taxes | 61.48 | 32.03 |
| Legal and professional | 1,200.25 | 657.30 |
| Other Maintenance | 1,265.11 | 975.65 |
| Selling and promotion | 6,932.02 | 3,933.77 |
| Travelling and conveyance | 1,475.64 | 861.44 |
| Loss on sale/disposal of fixed assets | - | 5.11 |
| Warranty | 1,175.79 | 983.10 |
| Advertisement | 6,124.86 | 6,379.10 |
| Net Loss on Foreign Currency Forward Contracts | 1,322.29 | - |
| Advances/Balances written off | 35.41 | 34.18 |
| Provision for Bad debts | 160.50 | - |
| Contribution towards corporate social responsibility expenditure (refer note no 57) | 476.02 | 457.53 |
| Fair value loss for Investments designated through profit and loss | - | 382.97 |
| Miscellaneous | 2,018.21 | 1,948.48 |
| Total | 33,778.17 | 27,787.27 |

Note 41.1 : Auditor's remuneration included in legal and professional (excluding GST)

| Particulars | (Rs. in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Statutory audit (including limited review)* | 32.00 | 36.00 |
| Certification* | 2.25 | 2.00 |
| Out of pocket expenses* | 1.84 | 1.00 |
| Total | 36.09 | 39.00 |

*Includes Rs. Nil (March 31, 2022 : Rs. 5.43 Lakhs) paid to erstwhile auditors

NOTE 42. EARNINGS PER SHARE

| Particulars | (Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Profit for the year attributable to Equity shareholders | 19,485.94 | 19,731.48 |
| Earnings used in the calculation of basic earnings per share | 19,485.94 | 19,731.48 |
| Earnings used in the calculation of diluted earnings per share | 19,485.94 | 19,731.48 |

| Particulars | (Numbers in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Weighted average number of equity shares for the purposes of basic and diluted earnings per share | 975.66 | 975.66 |

Note:

The EPS for year ended March 31, 2022 has been adjusted on account of bonus issue made during the year ended March 31, 2023, as required by "Ind AS 33 - Earnings per Share".

| Particulars | (Rs. per share) | |
|--------------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Basic and diluted earnings per share | 19.97 | 20.22 |



Sheela Foam Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2023

NOTE 43 : There are no title deeds of Immovable Properties, which are not held in name of the Company.

NOTE 44 : EMPLOYEE BENEFITS**A. Defined contribution plans**

Company's employees are covered by Provident Fund and Employees State Insurance Scheme/Fund and National Pension Scheme, to which the Company makes a defined contribution measured as a fixed percentage of salary. During the year, amount of Rs. 712.80 Lakhs (Previous Year: Rs. 654.37 Lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

| Particulars | (Rs. in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Employer's contribution towards Provident Fund(PF) | 621.20 | 564.52 |
| Employer's contribution towards Employees State Insurance (ESI) | 48.99 | 55.03 |
| Employer's contribution towards National Pension Scheme (NPS) | 44.61 | 34.82 |
| Total (refer note no. 38) | 712.80 | 654.37 |

B. Long Term Benefits**Long service award**

Payable to the eligible employees as retention earned leave, after completion of service of five years, which can be en-cashed or accumulated till retirement. During the year Company had discontinued this policy. An amount of Rs. Nil (Previous Year: Rs.146.01 Lakhs) has been charged to the Statement of Profit and Loss towards the said benefit.

C. Post employment benefits**Defined benefit plans****Gratuity**

The employees' gratuity fund scheme, which is a defined benefit plan, is managed by a trust with effect from 2019 and is being maintained by SFL Employees gratuity trust. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure on 15 days of last drawn salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

This plan is governed by the Payment of Gratuity Act 1972, which requires that each employee who has completed 5 years of service shall be entitled to gratuity which is equal to salary of 15 days for each completed year of service.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Discount rate | 7.38% | 7.51% |
| Future salary increase/salary escalation | 7.00% | 7.00% |
| Retirement age (years) | 60 | 60 |
| Mortality Tables | | |
| <i>Employee turnover</i> | | |
| 18 to 30 years | 3.40% | 3.00% |
| From 31 to 45 years | 3.70% | 2.00% |
| Above 45 years | 0.80% | 1.00% |

Notes:

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- Information given for retirement age is based on India's standard mortality table with modification to reflect expected changes in mortality/ others.



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Notes forming part of the standalone financial statements for the year ended March 31, 2023

Quantitative sensitivity analysis for significant assumptions as at March 31, 2023 is shown below:

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

| Particulars | (Rs. in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Increase / (decrease) on present value of defined benefits obligations at the end of the year | | |
| Discount rate | | |
| Increase by 1.00% | (296.17) | (270.71) |
| Decrease by 1.00% | 335.73 | 314.81 |
| Salary Increase | | |
| Increase by 1.00% | 333.59 | 313.27 |
| Decrease by 1.00% | (299.67) | (274.28) |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss, Other Comprehensive Income and the funded status and amounts recognised in the Balance Sheet for the gratuity plan. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

Expense recognised in Statement of Profit and Loss and Other Comprehensive Income:

| Particulars | (Rs. in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Service cost: | | |
| Current service cost | 215.04 | 183.83 |
| Past service cost and (gain)/loss from settlements | - | - |
| Net interest expense | 58.73 | 3.47 |
| Components of defined benefit costs recognised in profit or loss | <u>273.77</u> | <u>187.30</u> |
| Remeasurement on the net defined benefit liability: | | |
| Actuarial (gains) / losses arising from changes in financial assumptions | 50.87 | 483.82 |
| Actuarial (gains) / losses arising from experience adjustments | 135.84 | (9.79) |
| Return on Plan Asset | (21.24) | 5.37 |
| Components of defined benefit costs recognised in other comprehensive income | <u>165.27</u> | <u>478.40</u> |
| Total | <u>439.04</u> | <u>665.70</u> |

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Present value of funded defined benefit obligation | 2,908.65 | 2,441.60 |
| Fair value of plan assets | (2,469.61) | (1,838.56) |
| Net deficit in funded plan (refer note no. 25) | <u>439.04</u> | <u>603.04</u> |



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Movements in the present value of the defined benefit obligation are as follows:

| Particulars | (Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Opening defined benefit obligation | 2,441.60 | 1,821.01 |
| Current service cost | 215.04 | 183.83 |
| Interest cost | 183.36 | 128.93 |
| Remeasurement (gains)/losses: | | |
| Actuarial gains and losses arising from changes in demographic assumptions | 1.35 | |
| Actuarial gains and losses arising from changes in financial assumptions | 49.32 | 415.32 |
| Actuarial gains and losses arising from experience adjustments | 135.84 | (9.79) |
| Benefits paid | <u>(117.88)</u> | <u>(77.70)</u> |
| Closing defined benefit obligation | <u>2,908.65</u> | <u>2,441.60</u> |

Change in plan assets are as follows:

| Particulars | (Rs. in Lakhs) | |
|-----------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Opening fair value of plan assets | 1,838.56 | 1,850.54 |
| Return on plan assets | 124.61 | 125.46 |
| Fund management charges | | |
| Employer contribution | 603.04 | 5.00 |
| Actuarial (Gain)/Loss on Asset | 21.24 | 5.37 |
| Benefits paid | <u>(117.84)</u> | <u>(147.81)</u> |
| Closing fair value of plan assets | <u>2,469.61</u> | <u>1,838.56</u> |

The major categories of plan assets:

| Particulars | (Rs. in Lakhs) | |
|--------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2023 |
| Insurance products | 2,469.61 | 1,838.56 |
| Total | <u>2,469.61</u> | <u>1,838.56</u> |

Maturity profile of gratuity liability is as follows:

| Year | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| 0 to 1 year | 124.93 | 51.90 |
| 1 to 2 Year | 106.00 | 43.76 |
| 2 to 3 Year | 119.88 | 55.29 |
| 3 to 4 Year | 156.39 | 102.18 |
| 4 to 5 Year | 125.07 | 151.93 |
| 5 Year onwards | 2,276.38 | 2,036.56 |
| Expected contribution to the fund in next year (Rs. in Lakhs) | 688.52 | 623.87 |

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

a. Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk. A portion of the funds are invested in equity securities. The Company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Company intends to maintain the above investment mix in the continuing years.

b. Changes in discount rate:

A decrease in discount rate will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' assets holdings.

c. Inflation risks

Gratuity payments are not linked to inflation, so this is a less material risk.

The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company uses derivatives to manage some of its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets consists of unit linked group insurance plan which further invests in government and corporate bonds, equities, money market instruments & public deposits. The plan asset mix is in compliance with the requirements of the respective local regulations.



Sheela Foam Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023

NOTE 45 : RELATED PARTY TRANSACTIONS

(A) Names of related parties and nature of relationship are given below :

| Relationship | Name of the party |
|--|---|
| A. Subsidiary companies (wholly owned) | Joyce Foam PTY Ltd., Australia Divya Software Solutions Private Limited, India Sleepwell Enterprises Private Limited, India International Foam Technologies S.L, Spain Staqa World Private Limited, India International Comfort Technologies Private Limited, India |
| B. Entities in which Key Management Personnel or their Relatives have significance influence | Rangoli Resorts Private Limited Core Moulding Private Limited (Merged with Rangoli Resorts Private Limited w.e.f 30.03.2022) Sleepwell Foundation (Trust) |
| C. Key management personnel | Mr. Rahul Gautam (Managing Director) Mrs. Namita Gautam (Wholetime Director) Mr. Tushaar Gautam (Wholetime Director) Mr. Rakesh Chahar (Wholetime Director) |
| D. Step-down Subsidiary: | Interplasp, S.L, Spain, (Subsidiary of International Foam Technologies SL, Spain) Joyce WC NSW PTY Limited (Subsidiary of Joyce Foam PTY Ltd., Australia) Staqa World Kft. (Subsidiary of Staqa World Private Limited) Staqa Incorporated. (Subsidiary of Staqa World Private Limited) Staqa Technologies L L C (Subsidiary of Staqa World Private Limited) |

(B) Disclosure of transactions between the Company and related parties during the year

| Particulars | (Rs. in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| (i) Purchase of material / capital goods | | |
| Subsidiaries/Step-down subsidiary | | |
| Joyce Foam PTY Ltd., Australia | - | 0.16 |
| International Comfort Technologies Private Limited, India | 1,584.04 | 315.96 |
| Interplasp, SL, Spain, | - | 144.06 |
| | <u>1,584.04</u> | <u>461.10</u> |
| (ii) Sale of material/ capital goods | | |
| Subsidiaries/Step-down subsidiary | | |
| Joyce Foam PTY Ltd., Australia | 24.23 | 29.57 |
| International Comfort Technologies Private Limited, India | 5,319.39 | 3,062.56 |
| Interplasp, SL, Spain, | 54.95 | 183.71 |
| | <u>5,398.57</u> | <u>3,285.84</u> |
| Related entities | | |
| Sleepwell Foundation (Trust) | 0.18 | 0.36 |
| | <u>5,398.75</u> | <u>3,286.20</u> |
| (iii) Sale of IT support services | | |
| Subsidiary | | |
| Joyce Foam PTY Ltd., Australia | 425.78 | 425.68 |
| | <u>425.78</u> | <u>425.68</u> |
| (iv) Purchase of IT Support Services | | |
| Subsidiary | | |
| Staqa World Private Limited, India | 1,640.25 | 1,320.00 |
| | <u>1,640.25</u> | <u>1,320.00</u> |
| (v) Rent received | | |
| Subsidiaries | | |
| International Comfort Technologies Private Limited, India | 219.58 | 73.70 |
| Divya Software Solutions Private Limited, India | - | 0.05 |
| Sleepwell Enterprises Private Limited, India | - | 0.05 |
| | <u>219.58</u> | <u>73.80</u> |



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Notes forming part of the standalone financial statements for the year ended March 31, 2023

Disclosure of transactions between the Company and related parties during the year (Contd.)

| Particulars | (Rs. in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| (vi) Royalty paid | | |
| Subsidiary | | |
| Sleepwell Enterprises Private Limited, India | 10.00 | 10.00 |
| | <u>10.00</u> | <u>10.00</u> |
| (vii) Investment made | | |
| Subsidiary | | |
| International Comfort Technologies Private Limited, India | | |
| - Equity Share Capital | - | 10.00 |
| - Optionally Convertible Preference Share Capital | - | 2,990.00 |
| | <u>-</u> | <u>3,000.00</u> |
| (viii) Key management personnel | | |
| Compensation of Key management personnel | | |
| Short-term Employee Benefits | 1,082.72 | 1,107.55 |
| Post Employment Benefits | 14.30 | 13.56 |
| | <u>1,097.02</u> | <u>1,121.11</u> |
| (ix) Rent paid | | |
| Subsidiaries | | |
| Dhrya Software Solutions Private Limited, India | 181.50 | 12.00 |
| Sleepwell Enterprises Private Limited, India | 33.48 | 33.21 |
| | <u>214.98</u> | <u>45.21</u> |
| (x) Contributions for CSR expenses | | |
| Related entities | | |
| Sleepwell Foundation (Trust) | 275.00 | 315.00 |
| | <u>275.00</u> | <u>315.00</u> |
| (xi) Loan to subsidiary companies | | |
| International Comfort Technologies Private Limited, India | 4,200.00 | 10,800.00 |
| | <u>4,200.00</u> | <u>10,800.00</u> |
| (xii) Repayment of short-term advances/Loans by subsidiary companies | | |
| International Foam Technologies S.L, Spain | - | 125.26 |
| International Comfort Technologies Private Limited, India | 350.00 | 9,600.00 |
| | <u>350.00</u> | <u>9,725.26</u> |
| (xiii) Interest on loan given to subsidiary companies | | |
| International Comfort Technologies Private Limited, India | 208.30 | 87.15 |
| International Foam Technologies S.L, Spain | 143.93 | 83.27 |
| | <u>350.23</u> | <u>170.42</u> |
| (xiv) Guarantee Commission received | | |
| Subsidiary | | |
| Joyce Foam PTY Ltd., Australia | 121.90 | 107.17 |
| | <u>121.90</u> | <u>107.17</u> |
| (xv) Corporate guarantee utilised (net) | | |
| Subsidiaries | | |
| Joyce Foam PTY Ltd., Australia | 1,608.30 | 5,577.39 |
| International Foam Technologies S.L, Spain | (2,121.82) | (1,800.27) |
| International Comfort Technologies Private Limited, India | 5,566.77 | 7,600.00 |
| | <u>5,053.15</u> | <u>11,377.12</u> |

(C) Disclosure of balances outstanding at the end of the reporting year

| Particulars | (Rs. in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| (i) Subsidiary/step-down subsidiary | | |
| Lease Receivable | | |
| International Comfort Technologies Private Limited, India | 1,524.37 | 1,641.73 |
| | <u>1,524.37</u> | <u>1,641.73</u> |
| Trade payable | | |
| International Comfort Technologies Private Limited, India | - | 3.22 |
| | <u>-</u> | <u>3.22</u> |
| Trade receivable | | |
| International Comfort Technologies Private Limited, India | 3,993.26 | - |
| Joyce Foam PTY Ltd., Australia | 216.56 | 135.73 |
| Interplasp, SL, Spain, | - | 63.08 |
| | <u>4,209.84</u> | <u>198.81</u> |



Shwela Foam Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023

Disclosure of balances outstanding at the end of the reporting year (Contd.)

| Particulars | (Rs. in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Other receivables | | |
| Joyce Foam PTY Ltd., Australia | 68.64 | - |
| International Comfort Technologies Private Limited, India | 20.24 | - |
| | <u>88.88</u> | <u>-</u> |
| Contract Liabilities (Advance from Customer) | | |
| Interplasp, S.L., Spain, | 1.29 | - |
| | <u>1.29</u> | <u>-</u> |
| Investments | | |
| Joyce Foam PTY Ltd., Australia | 2,306.59 | 2,306.59 |
| Divya Software Solutions Private Limited, India | 7,602.00 | 7,602.00 |
| Sleepwell Enterprises Private Limited, India | 109.20 | 109.20 |
| International Foam Technologies SL, Spain | 9,638.86 | 9,638.86 |
| Staqo World Private Limited, India | 0.73 | 0.73 |
| International Comfort Technologies Private Limited, India | | |
| - Equity share capital | 10.00 | 10.00 |
| - Convertible Preference share capital | 2,990.00 | 2,990.00 |
| | <u>22,657.38</u> | <u>22,657.38</u> |
| Loan to subsidiary companies (refer note no. a below) | | |
| International Foam Technologies SL, Spain | 7,168.61 | 6,570.40 |
| International Comfort Technologies Private Limited, India | 6,080.00 | 1,200.00 |
| | <u>12,248.61</u> | <u>7,770.40</u> |
| Interest accrued on loan given to subsidiary Company | | |
| International Comfort Technologies Private Limited, India | 164.13 | - |
| International Foam Technologies SL, Spain | 239.69 | 83.27 |
| | <u>403.82</u> | <u>83.27</u> |
| Financial /Corporate guarantees (refer note no. b below) | | |
| Joyce Foam PTY Ltd., Australia | 9,858.25 | 8,249.95 |
| International Foam Technologies SL, Spain | 11,328.98 | 13,450.90 |
| International Comfort Technologies Private Limited, India | 13,166.77 | 7,600.00 |
| | <u>34,354.00</u> | <u>29,300.85</u> |
| Post employee benefit plan for the benefitted employees | | |
| SFL Employee Gratuity Trust | 439.04 | 603.04 |
| Payable to key managerial personnel | 680.42 | 748.02 |

Notes:

a. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end for trade payables/receivables are unsecured and interest free and loan balances carry interest, further settlements occurs in cash. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

b. Details of financial/Corporate guarantees given are as below:

- i. Company has given a Corporate guarantee of AUD 20 million on April 09, 2021 and an additional guarantee on dated 20.12.2022 of AUD 5 Million towards term loan granted by Citi Bank, Australia for its subsidiary Company Joyce Foam PTY Ltd., Australia.
- ii. Company has given financial guarantee of EURO 20 million on September 25, 2019 towards term loan granted by Citi Bank, Spain for its subsidiary Company International Foam Technologies SL, Spain.
- iii. Company has given Corporate guarantee of Rs. 7,000 Lakhs each on January 18, 2022 and January 19, 2022 towards term loan granted by Kotak Mahindra bank and JP Morgan Chase Bank N.A., India respectively for its subsidiary Company International Comfort Technologies Private Limited, India.



Sheela Foam Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023

NOTE 46 : DISCLOSURES AS PER IND AS 116 'LEASES'

(A) Company as lessee

(i) The Company's significant leasing arrangements are in respect of the following assets:

(a) The Company has leases of land and buildings for offices, warehouses and service centres. Right of Use Assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The lease terms for leasehold buildings ranges between 3 years to 10 years.

(#) The carrying amounts of lease liabilities and the movements during the year:

| Particulars | (Rs. in Lakhs) | |
|--------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Opening Liabilities | 1,939.84 | 199.19 |
| Additions | 40.54 | 1,823.14 |
| Accretion of interest | 91.73 | 112.83 |
| Repayment of Lease liabilities | (260.91) | (195.32) |
| Cancellation / adjustments | (195.95) | - |
| Closing liabilities | <u>1,615.25</u> | <u>1,939.84</u> |
| Current | 127.06 | 113.12 |
| Non current | 1,488.19 | 1,826.72 |
| | <u>1,615.25</u> | <u>1,939.84</u> |

(ii) Maturity analysis of the lease liabilities:

| Contractual undiscounted cash flows | (Rs. in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| 3 months or less | 60.72 | 78.92 |
| 3-12 months | 181.31 | 241.74 |
| 1-2 years | 246.28 | 336.66 |
| 2-5 years | 807.38 | 778.35 |
| More than 5 years | 1,782.96 | 1,564.31 |
| Total undiscounted lease liability | <u>3,078.65</u> | <u>2,999.98</u> |
| Less: Impact of discounting and other adjustments | 1,463.40 | 1,060.14 |
| Lease liabilities as at March 31, 2023 | <u>1,615.25</u> | <u>1,939.84</u> |

(iv) The following are the amounts recognised in the Statement of Profit and Loss:

| Particulars | (Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Finance cost | 91.73 | 112.83 |
| Depreciation and amortisation expense | 61.00 | 91.52 |
| Expenses relating to short term leases | 388.75 | 151.30 |

(v) The following are the amounts disclosed in the Statement of Cash Flows:

| Particulars | (Rs. in Lakhs) | |
|--------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Cash outflow from leases | 260.91 | 195.32 |

(vi) There are no variable lease payments considered in the initial measurement of the lease liability and asset.

(vii) Extension and termination options held are exercisable based on mutual agreement of the Company and the lessors.



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(B) Company as lessor

(i) The Company has entered into lease agreements to lease the following properties which have been treated as "Investment Property".

| | |
|--|--|
| Land & Factory Building situated at Sikker | The lease agreement was executed on 1st December, 2010. The said lease is for a term of 10 years with a clause to enable upward revision of the rental charge after every 3 years. The total rent recognized as income during the year is Rs. 160.60 Lakhs (March 31, 2022: Rs. 158.40 Lakhs). |
| Residential Flat situated at Greater Noida | The lease agreement was executed w.e.f. 15th September, 2018. The said lease was initially for a term of 11 months with a clause of subsequent renewal by mutual consent and the same being ongoing renewed. The total rent recognized as income during the year is Rs. 8.52 Lakhs (March 31, 2022: Rs. 7.20 Lakhs). |
| Land & Factory Building situated at Silvassa | The lease agreement was executed w.e.f. 31st August, 2020. The said lease is for an initial period of 3 years with a clause of automatic renewal for year-on-year basis until receive termination from party. Lease rent will be increased by 5% if both parties agreed on year-on-year basis. The total rent recognized as income during the year is Rs. 47.51 Lakhs (March 31, 2022: Rs. 49.13 Lakhs). |

(ii) Company has entered agreement to lease its property at Nandigram to its subsidiary Company for a term of 9 years in financial year ended March 31, 2022.

(iii) The carrying amounts of lease receivables and the movements during the year:

| Particulars | (Rs. in Lakhs) | |
|--------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Opening balance | 1,641.73 | - |
| Additions | - | 1,050.31 |
| Accretion of interest received | 89.08 | 54.42 |
| | (206.44) | (72.00) |
| Closing balance | <u>1,524.37</u> | <u>1,641.73</u> |
| Current | 129.72 | 107.88 |
| Non current | <u>1,394.65</u> | <u>1,533.85</u> |
| | <u>1,524.37</u> | <u>1,641.73</u> |

(iv) Maturity analysis of the lease receivable:

| Contractual undiscounted cash flows | (Rs. in Lakhs) | |
|---------------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| 3 months or less | 52.87 | 51.83 |
| 3-12 months | 163.90 | 160.68 |
| 1-2 years | 227.60 | 223.14 |
| 2-5 years | 753.40 | 738.63 |
| More than 5 years | 715.94 | 1,008.21 |
| Total undiscounted lease asset | <u>1,913.71</u> | <u>2,182.49</u> |
| Add: Impact of interest accruals | <u>(389.34)</u> | <u>(540.76)</u> |
| Lease receivable as at March 31, 2023 | <u>1,524.37</u> | <u>1,641.73</u> |

(v) The following are the amounts recognised in the Statement of Profit and Loss:

| Particulars | (Rs. in Lakhs) | |
|-----------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Interest income | 89.08 | 54.42 |

(vi) The following are the amounts disclosed in the Statement of Cash Flows:

| Particulars | (Rs. in Lakhs) | |
|-------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Cash inflow from leases | 206.44 | 72.00 |



Sheela Foam Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2023

NOTE 47 : FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The Company has disclosed financial instruments such as loans, investment in preference shares, trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

NOTE 48 : FAIR VALUE HIERARCHY

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

•Level 1 - The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

•Level 2 - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

•Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in preference shares, other investments, loans receivables and lease receivables included in level 3.

Valuation Processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO) including board of directors. Discussions of valuation processes and results are held between the CFO and the valuation team every month. The Company takes the help of independent valuers for valuation purposes.

Fair Valuation Technique

The carrying amounts of trade receivables, trade payables, creditors towards capital goods, cash and cash equivalents, investment in pref share, other investment and other bank balances are considered to be the same as their fair values, due to their short-term nature.

The fair values financial assets and liabilities consisting of loans receivable, lease receivable, lease liabilities, security deposits receivable and security deposit payable were calculated based on cash flows discounted using estimated borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2023:

| Particulars | Date of Valuation | Total | Fair value measurement using | | |
|--|-------------------|-----------|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| (Rs. in Lakhs) | | | | | |
| Fair Value measurement hierarchy of Assets: | | | | | |
| Financial Assets measured at fair value through profit and loss | | | | | |
| Other Investments | March 31, 2023 | 78,288.54 | 70,547.60 | 5,640.94 | - |
| Financial Assets measured at fair value through other comprehensive income | | | | | |
| Other Investments | March 31, 2023 | - | - | - | - |
| Financial Assets measured at amortized cost | | | | | |
| Investment in preference shares | March 31, 2023 | 2,990.00 | - | - | 2,990.00 |
| Other investments | March 31, 2023 | 0.35 | - | - | 0.35 |
| Loans | March 31, 2023 | 12,288.21 | - | - | 12,288.21 |
| Trade receivables | March 31, 2023 | 16,400.40 | - | - | 16,400.40 |
| Cash and cash equivalents | March 31, 2023 | 1,042.61 | - | - | 1,042.61 |
| Bank balances other than cash and cash equivalents | March 31, 2023 | 26.65 | - | - | 26.65 |
| Other financial assets | March 31, 2023 | 2,338.07 | - | - | 2,338.07 |

| | | (Rs. in Lakhs) | |
|---|--|----------------|----------------|
| Assets for which Fair Values are disclosed: | | March 31, 2023 | March 31, 2022 |
| Investment Property | | 2,884.95 | 2,581.31 |

| | | (Rs. in Lakhs) | | | |
|---|-------------------|----------------|---|---|---|
| Particulars | Date of Valuation | Total | Fair value measurement using | | |
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Fair Value measurement hierarchy of Liabilities: | | | | | |
| Financial Liabilities measured at amortized cost | | | | | |
| Lease liabilities | March 31, 2023 | 1,615.25 | - | - | 1,615.25 |
| Trade payables | March 31, 2023 | 18,276.90 | - | - | 18,276.90 |
| Other financial liabilities | March 31, 2023 | 11,175.56 | - | - | 11,175.56 |



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Notes forming part of the standalone financial statements for the year ended March 31, 2023

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2022:

Fair Value measurement hierarchy of Assets: (Rs. in Lakhs)

| Particulars | Date of Valuation | Total | Fair value measurement using | | |
|---|-------------------|-----------|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial Assets measured at fair value through profit and loss | | | | | |
| Other Investments | March 31, 2022 | 13,405.25 | 8,396.45 | 5,006.80 | - |
| Financial Assets measured at fair value through other comprehensive income | | | | | |
| Other Investments | March 31, 2022 | 47,876.02 | - | 47,876.02 | - |
| Financial Assets measured at amortized cost | | | | | |
| Investment in preference shares | March 31, 2022 | 2,990.00 | - | - | 2,990.00 |
| Other Investments | March 31, 2022 | 0.35 | - | - | 0.35 |
| Loans | March 31, 2022 | 8,333.07 | - | - | 8,333.07 |
| Trade receivables | March 31, 2022 | 13,601.78 | - | - | 13,601.78 |
| Cash and cash equivalents | March 31, 2022 | 1,431.36 | - | - | 1,431.36 |
| Bank balances other than cash and cash equivalents | March 31, 2022 | 31.58 | - | - | 31.58 |
| Other financial assets | March 31, 2022 | 4,724.86 | - | - | 4,724.86 |

Fair Value measurement hierarchy of Liabilities: (Rs. in Lakhs)

| Particulars | Date of Valuation | Total | Fair value measurement using | | |
|---|-------------------|-----------|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial liabilities measured at amortized cost | | | | | |
| Lease liabilities | March 31, 2022 | 1,939.84 | - | - | 1,939.84 |
| Trade payables | March 31, 2022 | 19,386.03 | - | - | 19,386.03 |
| Other financial liabilities | March 31, 2022 | 9,154.96 | - | - | 9,154.96 |

NOTE 49 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, comprise of deposits from dealers, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. Further, the Company has financial risk / exposure of financial guarantees given to the banks towards security against the loans taken by its subsidiaries, however, considering that there is no expected credit losses, there is no financial liability as at the year end on this account. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include deposits from dealers, investments and foreign currency receivables and payables.

The sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2023 and March 31, 2022.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. The Company is exposed to foreign currencies such as "USD", "AED", "AUD", "GBP" and "Euro".

The carrying amount of the foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

| Particulars | Currency | (Rs. in Lakhs) | |
|-----------------------------------|----------|----------------------|----------------------|
| | | As at March 31, 2023 | As at March 31, 2022 |
| Trade payables | USD | (2,358.02) | (1,951.53) |
| | EURO | (32.35) | (47.79) |
| | GBP | (20.00) | (19.28) |
| | AUD | (0.15) | (0.16) |
| Trade receivables | USD | 204.06 | 178.82 |
| | AUD | 285.35 | 135.89 |
| | AED | 166.55 | - |
| | EURO | - | 59.39 |
| Interest Accrued | EURO | 239.69 | 83.27 |
| Loan to Subsidiary Company | EURO | 7,168.61 | 6,570.40 |
| Bank balance | USD | - | 1.36 |
| | AED | - | 0.11 |
| Net assets / (liabilities) | | 5,652.73 | 5,000.48 |



Sheela Foam Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2023

Foreign currency sensitivity analysis

The Company is mainly exposed to USD, EURO, GBP, AED and AUD. The following table demonstrates the sensitivity to a reasonably possible change in respective exchange rates, with all other variables held constant.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for sensitivity change in foreign currency rates. A positive number below indicates an increase in profit or equity and vice-versa.

Foreign currency sensitivity

| Currency | % | As at | |
|----------|-----|----------------|----------------|
| | | March 31, 2023 | March 31, 2022 |
| USD | 2% | (43.08) | (35.63) |
| USD | -2% | 43.08 | 35.63 |
| EURO | 3% | 221.28 | 199.96 |
| EURO | -3% | (221.28) | (199.96) |
| GBP | 2% | (0.40) | (0.39) |
| GBP | -2% | 0.40 | 0.39 |
| AUD | 4% | 11.41 | 5.43 |
| AUD | -4% | (11.41) | (5.43) |
| AED | 2% | 3.33 | 0.00 |
| AED | -2% | (3.33) | (0.00) |

(ii) Interest risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises mainly of interest-bearing deposits with dealers, however, these are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

(iii) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of bedding articles, home comfort products, furniture cushioning and specialized foam and therefore require a continuous supply of raw materials i.e. TDI and Polyol being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the TDI and Polyol, the Company has entered into various purchase contracts for these material for which there is an active market. The Company's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for the purchase of these material and further the Company increases prices of its products as and when appropriate to minimize the impact of increase in raw material prices.

b) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

(i) Trade receivables

Customer credit risk is managed by the Company through its established policies and procedures which involve setting up credit limits based on credit profiling of individual customers, credit approvals for enhancement of limits and regular monitoring of important developments viz. payment history, change in credit limits, regulatory changes, industry outlook etc. Outstanding receivables are regularly monitored and an impairment analysis is performed at each reporting date on an individual basis for each major customer. In accordance with Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or reversal thereof. Concentration of credit risk with respect to trade receivables are limited, due to Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on monthly basis.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits, bonds, debentures and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 and March 31, 2022 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Non-current assets | | |
| - Other Investments | 5,641.29 | 52,883.17 |
| - Loans | 12,229.14 | 7,778.00 |
| - Other non-current financial assets | 1,698.07 | 1,907.09 |
| Current assets | | |
| - Other Investments | 70,647.60 | 8,398.45 |
| - Trade receivables | 16,400.40 | 13,601.79 |
| - Cash and cash equivalents | 1,042.61 | 1,431.36 |
| - Bank balances other than cash and cash equivalents | 26.65 | 31.58 |
| - Loans | 59.07 | 555.07 |
| - Other current financial asset | 640.00 | 2,817.77 |
| Total | 1,08,384.83 | 89,404.77 |



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(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short-term bank deposits and short term investments. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be very low.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

| Particulars | (Rs. in Lakhs) | | |
|----------------------------------|------------------|------------------|------------------|
| | Less than 1 Year | More than 1 Year | Total |
| Year ended March 31, 2023 | | | |
| Trade payables | 18,257.88 | 19.02 | 18,276.90 |
| Other financial liabilities | 8,627.40 | 2,548.16 | 11,175.56 |
| Lease Liabilities | 127.06 | 1,488.19 | 1,615.25 |
| | 27,012.34 | 4,055.37 | 31,067.71 |
| Year ended March 31, 2022 | | | |
| Trade payables | 19,381.88 | 4.17 | 19,386.03 |
| Other financial liabilities | 4,130.88 | 5,034.08 | 9,164.96 |
| Lease Liabilities | 113.12 | 1,826.72 | 1,939.84 |
| | 23,625.88 | 6,864.97 | 30,490.83 |

NOTE 50: CAPITAL MANAGEMENT

The Company's objective in managing its capital is to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The Company considers the following components of its Balance Sheet to be managed capital:

1) Share Capital and 2) Other Reserves comprising of General Reserve and Retained Earnings. The Company's capital structure is based on the Management's assessment of the balances of key elements to ensure strategic decisions and day to day activities.

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Equity | 4,878.28 | 2,439.14 |
| Other Equity | 1,34,701.83 | 1,18,513.31 |
| Total equity | 1,39,580.11 | 1,20,952.45 |
| Borrowings (including lease liabilities) | 1,615.25 | 1,939.84 |
| Less: cash and cash equivalents | 1,042.61 | 1,431.36 |
| Total debt | 572.64 | 508.48 |
| Overall financing | 1,40,152.75 | 1,21,460.93 |
| Gearing ratio (in %) | 0.41% | 0.42% |

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. The capital structure of the Company is managed with a view of the overall macro economic conditions and the risk characteristics of the underlying assets. The Company's policy is to maintain a strong capital structure with a focus to mitigate all existing and potential risks to the Company, maintain shareholder, vendor and market confidence and sustain continuous growth and development of the Company. The Company's focus is on keeping a strong total equity base to ensure independence, security, as well as high financial flexibility without impacting the risk profile of the Company. In order, to maintain or adjust the capital structure, the Company will take appropriate steps as may be necessary.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.



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NOTE 51 : COMMITMENTS FOR EXPENDITURE

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of Rs. 137.83 Lakhs (March 31,2022: Rs. 181.20 Lakhs)) | 67.52 | 379.12 |
| Other Commitment (Corporate Guarantee given to banks and financial institution against credit facilities availed by Subsidiary Companies, Entities under common control and others) (refer note no. 45) | 34,354.00 | 29,300.85 |
| | 34,421.52 | 29,679.97 |

NOTE 52 : CONTINGENT LIABILITIES

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (a) Claims against the Company not acknowledged as debt (refer note below) | | |
| Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards | | |
| Sales tax | 439.99 | 480.99 |
| Entry tax | 194.11 | 194.11 |
| Income tax | 564.99 | 439.12 |
| Excise Duty | 410.57 | 410.57 |

Note:

The Company is contesting these demands and the management including its advisers are of the view that these demands may not be sustainable at the appellate level. The management believes that the ultimate outcome of these proceedings will not have any material adverse effect on the Company's financial position and results of operations. The Company does not expect any reimbursement in respect of these contingent liabilities, and it is not practicable to estimate the timing of cash outflows, if any, in respect of these matters, pending resolution of the appellate proceedings.

NOTE: 53 DISCLOSURE REQUIRED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013.

| Name of the investee | Nature of Transaction | Purpose for which it is utilized Interest rate and tenure | 2022-23 | | 2021-22 | |
|--|-----------------------------|---|-----------------|---------------------|-----------------|---------------------|
| | | | During the Year | Outstanding Balance | During the Year | Outstanding Balance |
| Wholly Owned Subsidiaries | | | | | | |
| Joyce Foam PTY. Ltd., Australia, | Investment in equity shares | Manufacturing of technical foam supplied to Business to Business customers (mattress and furniture manufacturers) in Australia. | - | 2,306.59 | - | 2,306.59 |
| | Financial Guarantee given | Corporate guarantee given to CITI bank for security towards long term working capital facility availed by the said Subsidiary. | 1,608.30 | 9,858.25 | - | 8,249.95 |
| Divya Software Solutions Pvt. Ltd., India | Investment in equity shares | Engaged in Software development and related ancillary activities | - | 7,602.00 | - | 7,602.00 |
| Sleepwell Enterprises Pvt. Ltd., India | Investment in equity shares | The Company, which is holding ownership of Sleepwell and other brands related to foam, mattress & other products. | - | 109.20 | - | 109.20 |
| International Foam Technologies S L, Spain | Investment in equity shares | To invest in a running Company in Spain, engaged in manufacturing of Polyurethane Foam. | - | 9,638.86 | - | 9,638.86 |
| | Financial Guarantee | Corporate guarantee given to CITI bank for security towards long term availed by the said Subsidiary. | (2,121.92) | 11,328.98 | - | 13,450.90 |



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| Name of the investee | Nature of Transaction | Purpose for which it is utilized | (Rs. In Lakhs) | | | |
|---|---|---|-----------------|---------------------|-----------------|---------------------|
| | | | 2022-23 | | 2021-22 | |
| | | | During the Year | Outstanding Balance | During the Year | Outstanding Balance |
| International Foam Technologies S.L, Spain (IFTS) | Loans | Manufacturer of technical foam supplied to Business to Business customers (mattress and furniture manufacturers) Interest charged - 1.25 % to 3.34% (1.25% in March 31, 2022) Tenure of Loan - To be repaid over the next 2 years after the repayment of CITI bank loan by them (CITI bank loan to be repaid by Company with in 6 years from the date of disbursement.) | 598.21 | 7,168.61 | - | 8,570.40 |
| Slago World Pvt. Ltd, India Wholly Owned Subsidiary | Investment in equity shares | To carry on business of information technology and related ancillary services | - | 0.73 | - | 0.73 |
| | Investment in equity shares | | - | 10.00 | 10.00 | 10.00 |
| International comfort Technologies Private Limited (w.e.f.01-10-2021) | Investment in 5% optionally convertible preference shares | Manufacturer of technical foam supplied to Business to Business customers (mattress and furniture manufacturers) | - | 2,990.00 | 2,990.00 | 2,990.00 |
| | Loan | Interest charged - 8.17 % to 8.17% (5.07% in March 31, 2022) Tenure of Loan - to be repaid after the cessation of CITI bank loan | 3,850.00 | 5,050.00 | 1,200.00 | 1,200.00 |
| | Corporate Guarantee | Corporate guarantee given to Kotak Mahindra bank and JPMorgan Chase Bank, N.A., India for security towards long term loan facility availed by the said Subsidiary. | 5,566.77 | 13,168.77 | 7,600.00 | 7,600.00 |

For above investment in equity and preference share refer note no. 6.



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NOTE 54 : SEGMENT INFORMATION

Operating segment information

The Company is engaged in the manufacturing of the products of same type/class and has no overseas operations/units and as such there is no reportable segment as per Indian Accounting Standard (Ind AS-108) dealing with the operating segments. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors of the Company.

Geographical information

| Particulars | (Rs. in Lakhs) | |
|---------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Revenue from external customers | | |
| Within India | 2,00,301.09 | 1,95,809.95 |
| Outside India | 1,680.47 | 5,011.04 |
| Total revenue | 2,01,981.55 | 2,00,820.99 |

The revenue information is based on location of customers and excluding other operating revenue.

Non-current operating assets

The Company has common non-current operating assets for domestic as well as overseas market. Hence, separate figures for these assets are not required to be furnished.

NOTE 55 : TRANSFER PRICING

The Company has appointed an independent consultant for conducting a Transfer Pricing Study to determine whether the transactions with associate enterprises undertaken during the financial year are on an "arm's length basis". The Transfer Pricing study under the Income Tax Act, 1961 in respect of transaction with the group companies for the financial year ended March 31, 2023 is not yet complete. Adjustments, if any, arising from Transfer Pricing study shall be accounted for as and when the study is completed. The management confirms that all international transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms. During the current year, the Transfer Pricing certificate under section 92E of Income Tax Act, 1961 for the year ended March 31, 2022 has been obtained and there are no adverse comments requiring adjustments.

NOTE 56 : EXPOSURE TOWARDS MICRO, SMALL AND MEDIUM ENTERPRISES

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| i The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company are as under: | | |
| (i) The principal amount and the interest due thereon remaining unpaid to any supplier | | |
| Principal amount: | 630.91 | 444.61 |
| Interest: | - | - |
| (ii) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ending | - | - |
| (iii) The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year) | - | - |
| (iv) The amount of interest accrued and remaining unpaid for the year ended | - | - |
| (v) The amount of further interest remaining due and payable for the earlier years | - | - |

The information has been given in respect of such suppliers to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company. Further, the amount payable to these parties is not overdue hence no interest is required to provide/accrued as at March 31, 2023 and March 31, 2022.

ii The credit period for purchase of goods and services are normally up to 30 days. No interest is chargeable on trade payables.



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NOTE 57 : CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

As per provisions of Section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects as per the Schedule VII of the Companies Act, 2013.

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| e) Gross amount required to be spent as per section 135 of the Act | 476.02 | 409.07 |
| Add: Amount Unspent from previous years | - | - |
| Total Gross amount required to be spent during the year | 476.02 | 409.07 |
| b) Amount approved by the Board to be spent during the year | 523.02 | 457.53 |
| c) Amount spent during the year on | | |
| (i) Construction/acquisition of an asset | - | - |
| (ii) On purposes other than (i) above | 523.02 | 457.53 |
| d) Details related to amount spent . | | |
| Contribution to Sleepwell Foundation Trust | 275.00 | 315.00 |
| Spent on Health Support , Promoting education including employment enhancing vocational skills | 248.02 | 142.53 |
| | 523.02 | 457.53 |
| e) Details of CSR expenditure in respect of other than ongoing projects | | |
| Balance (Short) / Excess as at opening | - | - |
| Amount deposited in Specified Fund of Schedule VII of the Act within 6 months | - | - |
| Amount required to be spent during the year | 478.02 | 457.53 |
| Amount spent during the year | 523.02 | 457.53 |
| Balance (Short) / Excess Spent at end of the year | 47.00 | - |

f) Corporate social responsibility expenses of Company are managed by related party -Sleepwell Foundation (refer note no. 45).



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NOTE 58 : DERIVATIVES AND HEDGING

(i) Classification of derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are accounted for at fair value through profit or loss. Information about the derivatives used by the Company and outstanding as at the end of the financial year is provided below:

| Particulars | (Rs. in Lakhs) | | | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | Financial Assets | | Financial Liabilities | |
| | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 |
| Derivatives designated as Hedging Instruments: | | | | |
| Cross currency interest rate swap | - | - | 945.98 | - |
| Derivatives not designated as Hedging Instruments: | | | | |
| Principal Only Swap | - | - | 1,322.29 | - |

(ii) Hedging activities

Foreign Currency Risk

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions.

Derivatives designated as hedging instruments are accounted for as cash flow hedges.

(iii) Hedge Effectiveness

For derivatives designated as hedging instruments, there is an economic relationship between the hedged items and the hedging instruments as the terms of the hedge contracts match the terms of hedge items. The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and interest rate are identical to the hedged risk components. To test the hedge effectiveness, the Company compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

(iv) Source of Hedge ineffectiveness

For derivatives designated as hedging instruments, in case of foreign currency risk and interest rate risk, the main source of hedge ineffectiveness is the effect of the counterparty's credit risk on the fair value of hedge contracts, which is not reflected in the fair value of the hedged items. The effect of this is not expected to be material.

(v) Disclosures of effects of Cash Flow Hedge Accounting:

Hedging Instruments

The Company has taken derivatives to hedge its loan given to its related party.

| Particulars | (Rs. in Lakhs) | | |
|--|---------------------|-------------|----------------------|
| | Less than 1 year | 1 to 5 year | More than 5 Years |
| Cross currency interest rate swap | | | |
| As at March 31, 2023 | | | |
| Nominal Amount | - | - | 6,416.80 |
| As at March 31, 2022 | | | |
| Nominal Amount | - | - | - |

(vi) The effect of the cash flow hedge in the Statement of Profit or Loss and Other Comprehensive Income is as follows:

| Particulars | (Rs. in Lakhs) | |
|---|---|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Cash flow Hedge Reserve at the beginning of the year | - | - |
| Total hedging (loss) recognised in Other Comprehensive Income | (347.78) | - |
| Income tax on above | 87.53 | - |
| Ineffectiveness recognised in statement of profit or loss | (1,322.29) | - |
| | Net Loss on Foreign Currency Forward Contracts in "other expenses" | - |
| Line item in the statement of profit or loss that includes the recognised ineffectiveness | - | - |
| Amount reclassified from Other Comprehensive Income to profit or loss | - | - |
| Income tax on above | - | - |
| Cash flow Hedge Reserve at the end of the year | (260.25) | - |
| Line item in the statement of profit or loss that includes the reclassification adjustments | Not Applicable | - |



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(vii) The outstanding position of derivative instrument is as under:

| Nature | Currency | Purpose | (Rs. In Lakhs) | | | |
|-----------------------------------|--------------|--|---------------------------------|--|---------------------------------|--|
| | | | As at March 31, 2023 | | As at March 31, 2022 | |
| | | | Nominal value (Rs. In Lakhs) | Notional value Foreign Currency (in Lakhs) | Nominal value (Rs. in Lakhs) | Notional value Foreign Currency (in Lakhs) |
| Cross currency interest rate swap | EUR | Hedging of Foreign Currency Loans Principal & Interest | 8,416.80 | 80.00 | - | - |
| Principal Only Swap | EUR | Hedging of equity investment in foreign subsidiary | 9,390.00 | 120.00 | - | - |
| | Total | | 15,806.80 | 200.00 | - | - |

Exchange rates used for conversion of foreign currency exposure:

| Currency | As at March 31, 2023 | As at March 31, 2022 |
|----------|----------------------|----------------------|
| EUR | 89.81 | 82.13 |

(viii) The impact of the hedging instruments on the statement of financial position is as under:

| Particulars | (Rs. In Lakhs) | |
|--|-------------------------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Nominal Amount | 6,416.80 | - |
| Carrying Amount (net) | 7,168.61 | - |
| Line item in the statement of financial position that's includes Hedging Instruments | Other current financial liabilities | - |
| Change in fair value of the hedge item used as the basis for recognising hedge ineffectiveness for the year - Gain / (Loss) (net of tax) | (260.25) | - |

(ix) Hedge Items

The impact of the Hedged Items on the statement of financial position is as follows:

| Particulars | (Rs. in Lakhs) | |
|---|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Balance in Cash flow hedge reserve as at the end of the year for continuing hedges (net of tax) | (260.25) | - |
| Change in value of the hedged item used for measuring ineffectiveness for the year (net of tax) | (260.25) | - |

(x) Particulars of unhedged foreign currency (FC) exposure as at balance sheet date:

| Particulars | Currency | As at March 31, 2023 | | As at March 31, 2022 | |
|----------------------------|----------|----------------------|--------------|----------------------|--------------|
| | | FC in Lakhs | Rs. in Lakhs | FC in Lakhs | Rs. in Lakhs |
| Trade payables | USD | (28.68) | (2,356.02) | (25.34) | (1,961.53) |
| | EURO | (0.38) | (32.36) | (0.55) | (47.79) |
| | GBP | (0.20) | (20.00) | (0.19) | (19.28) |
| | AUD | (0.00) | (0.15) | (0.00) | (0.16) |
| Trade receivables | USD | 2.48 | 204.06 | 2.42 | 178.82 |
| | AUD | 5.19 | 285.35 | 2.47 | 135.89 |
| | AED | 7.45 | 186.55 | - | - |
| | EURO | - | - | 0.72 | 59.39 |
| Interest Accrued | EURO | 2.67 | 239.69 | 1.00 | 83.27 |
| Loan to Subsidiary Company | EURO | - | - | 80.00 | 6,570.40 |
| Bank balance | AED | - | - | 0.01 | 0.11 |
| | USD | - | - | 0.02 | 1.36 |



Sheela Foam Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023

NOTE 59 : INCOME TAX EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS

| Particulars | (Rs. In Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Current tax | | |
| In respect of current year | 6,815.87 | 7,054.57 |
| Tax expenses related to earlier years | (70.48) | (22.27) |
| | <u>6,745.39</u> | <u>7,032.30</u> |
| Deferred tax | | |
| Origination and reversal of temporary differences including Tax Impact on other comprehensive income | (293.43) | (346.52) |
| | <u>(293.43)</u> | <u>(346.52)</u> |
| Total income tax expense recognised in the current year including tax impact on other comprehensive income | 6,451.95 | 6,685.78 |

The income tax expense for the year can be reconciled to the accounting profit as follows:

| Particulars | (Rs. In Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Profit before tax (including Other comprehensive income) | 25,553.87 | 26,300.80 |
| Income tax expense calculated at 25.168% | 6,431.42 | 6,619.41 |
| Effect of income that is exempt from taxation | (15.89) | - |
| Effect of expenses that are not deductible in determining taxable profit | 405.65 | 115.15 |
| Effect of difference in tax rates | (101.52) | (39.25) |
| Others | (187.22) | 12.74 |
| | <u>6,522.44</u> | <u>6,708.05</u> |
| Adjustments recognised in the current year in relation to tax of prior years | (70.49) | (22.27) |
| Income tax expense recognised in the Statement of Profit and Loss | 6,451.95 | 6,685.78 |
| Effective Tax Rate | 25.25% | 25.42% |

NOTE 60 : THE CODE ON SOCIAL SECURITY 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.



Sheela Foam Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023

NOTE 61 : DISCLOSURE FOR SPECIFIC RATIOS

| Particulars | Formula | Particulars | | For the year ended | For the year ended | Variance | Reasons for variances |
|----------------------------------|---|--|---|--------------------|--------------------|----------|--|
| | | Numerator | Denominator | March 31, 2023 | March 31, 2022 | | |
| Current Ratio | Current Assets / Current Liabilities | Current Assets = Inventories + Financial assets + Other current assets | Current Liabilities = Financial Liabilities + Short Term Provisions + Current Tax Liabilities + Other current liabilities | 3.11 | 1.54 | -102% | Substantial increase in current investment as compare to previous year |
| Debt equity Ratio | Debt / Equity | Debt = Lease liabilities | Equity = Equity share capital + Other Equity | 0.01 | 0.02 | 28% | Increase in other equity |
| Trade payable turnover Ratio | Net Credit Purchases / Average Trade Payables | Net credit purchases = Purchase of raw material and packing material + Purchase of traded goods + Other manufacturing expenses | Average Trade Payables (refer note no. 28) | 7.16 | 6.52 | -10% | |
| Net capital turnover Ratio | Revenue / Working Capital | Revenue = Revenue from operations | Working Capital = Current assets - Current Liabilities | 2.67 | 11.67 | 77% | There is reduction in Capital turnover ratio due to increase in working capital on account of increase in current investment |
| Debt Service coverage ratio | Net Operating Income / Debt Service | Net Operating Income = Profit before tax for the year + Finance costs + Depreciation and amortisation expense | Debt service = Finance costs + Lease payments | 37.30 | 36.32 | 3% | |
| Net Profit Ratio | Net Profit / Net Sales | Net Profit = Profit for the year | Net Sales = Revenue from operations | 0.10 | 0.10 | 2% | |
| Return on Equity Ratio | Profit after tax / Shareholder's Equity | Total comprehensive income for the year | Shareholders Equity = Total Equity | 0.14 | 0.16 | 16% | |
| Return on capital employed | EBIT / Capital Employed | EBIT = Profit before tax + Finance costs | Capital Employed = Total assets - current liabilities | 0.16 | 0.21 | 12% | |
| Inventory turnover Ratio | Cost of Goods Sold / Average Inventory | Cost of goods sold = Cost of material consumed + Purchase of traded goods + Other manufacturing expenses + Changes in inventories of finished goods, traded goods & work in progress | Average Inventory | 6.70 | 6.32 | -6% | |
| Return on investment | Net Profit / Net Investment | Net Profit = Profit before tax + Finance costs | Net Investment = Total Equity | 0.19 | 0.22 | 15% | |
| Trade receivables turnover ratio | Net Credit Sales / Average Trade Receivables | Net Credit sales = Revenue from operations | Average Trade Receivables | 13.46 | 13.43 | 0% | |



Sheela Foam Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023

NOTE 62: UTILISATION OF BORROWED FUNDS

- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 63 : EVENTS AFTER THE REPORTING PERIOD

There are no significant adjusting events after the reporting period.

NOTE 64 : DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

NOTE 65 : UNDISCLOSED INCOME

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

NOTE 66: DETAILS OF BENAMI PROPERTY HELD

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

NOTE 67: RELATIONSHIP WITH STRUCK OFF COMPANIES UNDER SECTION 248 OF THE COMPANIES ACT, 2013 OR SECTION 560 OF COMPANIES ACT, 1956

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

NOTE 68: RECONCILIATION OF QUARTERLY RETURNS OR STATEMENTS OF CURRENT ASSETS FILED WITH BANKS OR FINANCIAL INSTITUTIONS

As at March 31, 2023

| Quarter | Name of bank | Particulars of Securities Provided | Amount as per books of account (Rs. In Lakhs) | Amount as reported in the quarterly statement (Rs. In Lakhs) | Amount of difference | Reason for material discrepancies |
|---------|--|--|---|--|----------------------|-----------------------------------|
| Jun-22 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 28,747.00 | 28,747.00 | - | |
| Sep-22 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 31,359.00 | 31,359.00 | - | |
| Dec-22 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 24,490.00 | 24,490.00 | - | |
| Mar-23 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 29,274.00 | 29,274.00 | - | |



Sheela Foam Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023

As at March 31, 2022

| Quarter | Name of bank | Particulars of Securities Provided | Amount as per books of account (Rs. in Lakhs) | Amount as reported in the quarterly statement (Rs. in Lakhs) | Amount of difference | Reason for material discrepancies |
|---------|--|--|---|--|----------------------|-----------------------------------|
| Jun-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 23,930.09 | 23,930.09 | - | |
| Sep-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 29,075.37 | 29,075.37 | - | |
| Dec-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 27,449.27 | 27,449.27 | - | |
| Mar-22 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 26,924.84 | 26,924.84 | - | |

NOTE 69: THE FOLLOWING DISCLOSURES SHALL BE MADE WHERE LOANS OR ADVANCES IN THE NATURE OF LOANS ARE GRANTED TO PROMOTERS, DIRECTORS, KMPs AND THE RELATED PARTIES (AS DEFINED UNDER COMPANIES ACT, 2013), EITHER SEVERALLY OR JOINTLY WITH ANY OTHER PERSON, THAT ARE:

| Type of Borrower | Particulars | | | March 31, 2023 | | March 31, 2022 | |
|--------------------------------------|--|--------------------------------|---|-----------------------------------|------------|-----------------------------------|------------|
| | Loans/Advances granted individually or jointly with other (Rs. in Lakhs) | Repayable on demand (Yes / No) | Terms/Period of repayment is specified (Yes / No) | Amount outstanding (Rs. in Lakhs) | % of Total | Amount outstanding (Rs. in Lakhs) | % of Total |
| Related Parties (Subsidiary Company) | 3,850.00 | Yes | Yes | 5,050.00 | 41.10% | 1,200.00 | 14.40% |
| | 598.21 | No | Yes | 7,168.61 | 58.34% | 6,570.40 | 78.85% |

NOTE 70: REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

| A brief description of the charges or satisfaction | The location of the Registrar | The period (in days or months) by which such charge had to be registered as on March 31, 2023 | The period (in days or months) by which such charge had to be registered as on March 31, 2022 | Reason for delay in registration |
|---|-------------------------------|---|---|---|
| The floating charge is created on current assets including book debt & on immovable property or any interest therein. | ROC-DELHI | 30 days from the certified copy of hypothecation deed execute between bank & Company. | 30 days from the certified copy of hypothecation deed execute between bank & Company. | There is no delay in registration of Charge |

NOTE 71 : COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

NOTE 72

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

NOTE 73: SCHEME OF AMALGAMATION WITH WOS OF THE COMPANY

The Scheme of Amalgamation of the wholly owned subsidiary of the Company, i.e., International Comfort Technologies Private Limited ("ICTPL" or "Transferor Company") with Sheela Foam Limited ("SFL" or "Transferee Company") and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") is subject to necessary statutory and regulatory approvals including the approvals of National Company Law Tribunal, Bench at Delhi ("NCLT"). The same will be accounted for in the books of accounts, in accordance with appendix C to Ind AS-103 on the approval from NCLT.



Sheela Foam Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2023

NOTE 74: FOLLOWING ARE THE RECLASSIFICATIONS MADE IN THE PREVIOUS YEAR FIGURES TO MAKE THEM COMPARABLE/ BETTER PRESENTATION WITH THE CURRENT YEAR FIGURES:

| Particulars | (Rs. in Lakhs) | | Nature |
|--------------------------------|-----------------------------|-------------------------------|------------------------|
| | March 31, 2022 (Revised) | March 31, 2022 (Published) | |
| Assets | | | |
| Non Current Assets | | | |
| Other financial assets | 1,907.09 | 1,802.46 | Reclassification items |
| Non Current Tax Assets (Net) | 463.33 | 445.33 | Reclassification items |
| Current Assets | | | |
| Trade Receivable | 13,601.78 | 15,163.44 | Reclassification items |
| Other financial assets | 2,817.77 | 2,925.59 | Reclassification items |
| Other Current Assets | 1,922.97 | 1,937.78 | Reclassification items |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Long Term Provisions | 602.57 | 1,408.32 | Reclassification items |
| Current Liabilities | | | |
| Trade payables | 18,941.42 | 20,503.08 | Reclassification items |
| Short term provisions | 1,053.41 | 247.66 | Reclassification items |
| Income | | | |
| Revenue from Operations | 2,00,820.99 | 2,12,443.99 | Reclassification items |
| Expenses | | | |
| Cost of materials consumed | 1,28,594.54 | 1,25,119.54 | Reclassification items |
| Other expenses | 27,787.27 | 42,885.27 | Reclassification items |

For M S K A & Associates
Chartered Accountants

Firm Registration No.: 105047W

Nipun Gupta
Partner

Membership No.: 502898

For and on behalf of the Board of Directors of
Sheela Foam Limited

CIN: L74899DL1971PLC005679

Rahul Gautam
Managing Director
DIN:00192999Tushaar Gautam
Whole Time Director
DIN:01646487Amit Kumar Gupta
Group Chief Financial
OfficerMd. Iqbal Ahmad
Company Secretary
Membership No.: A20921Place: Gurugram
Date: May 17, 2023Place: Noida
Date: May 17, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Sheela Foam Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of Sheela Foam Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2023, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

DESCRIPTION OF KEY AUDIT MATTER

| Sr. No | Key Audit Matter | How the Key Audit Matter was addressed in our audit |
|--------|---|--|
| 1 | <p>Impairment of Goodwill</p> <p>Refer Note 2.1(d)(6) to the consolidated financial statements</p> | <p>Description of Auditor's response:</p> <ul style="list-style-type: none"> Obtained an understanding from the management with respect to process and controls followed by the Group and |



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| Sr. No | Key Audit Matter | How the Key Audit Matter was addressed in our audit |
|--------|--|--|
| | <p>Group has a Goodwill on account of consolidation of INR 26,366.16 lakhs as on March 31, 2023. In determining the fair value/value in use of subsidiaries, the Group has applied judgment in estimating future revenues, operating profit margins, longterm growth rate and discount rates. The carrying value of goodwill is tested annually for impairment. The Group performed its annual impairment test of goodwill and determined that there was no impairment.</p> <p>Due to the significance of the carrying value of goodwill and judgment involved in performing impairment test, we have identified this as a key audit matter</p> | <p>tested the design, implementation and operating effectiveness of controls over</p> <ul style="list-style-type: none"> • the process of impairment assessment to perform annual impairment test related to goodwill. • Obtained the impairment analysis model from the management and reviewed their conclusions. • Tested the inputs used in the Model by examining the underlying data and validating the future projections by comparing past projections with actual results. • Assessed the reasonableness of the assumptions used and appropriateness of the valuation methodology applied. Tested the discount rate and long term growth rates used in the forecast including comparison to economic and industry forecasts where appropriate. • Reconciled the future operating cash flow forecasts with the business plan approved by the Company's board of directors. • Evaluated the appropriateness of the disclosures made in the consolidated financial statement in relation to the above as required under applicable accounting standards. • Verified the related disclosures made in notes to the financial statements in accordance with the requirements of the applicable accounting standards. |
| 2 | <p>Revenue recognition - Discounts and rebates</p> <p>Refer Note 2.10 to the consolidated financial statements, revenue is measured net of any trade discounts and volume rebates to customers (i.e. to the Wholesale traders and Retail traders).</p> <p>As per the secondary scheme, discounts and rebates are passed on to the customers only on secondary sales made by wholesaler to retailer. Further, certain discounts and rebates for goods sold during the year are only finalised when the precise amounts are known, and revenue therefore includes an estimate of variable consideration. This includes establishing an accrual at year end, particularly in arrangements with customers involving varying terms</p> | <p>Description of Auditor's response:</p> <ul style="list-style-type: none"> • Assessed the appropriateness of the Company's revenue recognition accounting policies, including those relating to discounts, incentives and rebates as required under the applicable accounting standards. • Understood the process followed by the Company to determine the amount of accrual for discounts and rebates. • Verified the design and implementation and tested operating effectiveness of key application controls over the Company's automated systems and manual controls over rebates agreements/ arrangements, rebate payments / settlements and Company's review over the rebate accruals. |



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| Sr. No | Key Audit Matter | How the Key Audit Matter was addressed in our audit |
|--------|---|---|
| | <p>which are based on annual contracts or shorter-term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span beyond the year end. The unsettled portion of the variable consideration, results in accrual of discounts and rebates due to customers as at year end. Significant judgement is required in estimating accruals relating to secondary schemes recognized, based on sales made during the year.</p> <p>In view of above, accrual for discounts and rebates in relation to revenue recognition is identified as a key audit matter.</p> | <ul style="list-style-type: none"> • Verified on a test check basis, key customer contracts to identify the • relevant terms and conditions related to discounts and rebates. • Verified on test check basis, discounts and rebates transactions recorded during the year including period end discounts and rebates accruals and ensured the computation is in accordance with the policy and relevant source documents. • Examined historical rebate accrual together with our understanding of current year developments to form an expectation of the rebate accrual as at year end and compared the same with the accrual for the year ended March 31, 2023. • Verified completeness and accuracy of the data used by the Company for accrual of discounts and rebates through test of controls. • Verified on a test check basis, rebate accruals after the reporting date to validate whether the accrual is recorded in the correct period. • Verified payments made after reporting/year end date and where relevant, comparing the payment to the related rebate accrual. • Verified the credit notes for rebates and discounts issued subsequent to the balance sheet date to assess the reasonableness of the amounts recognised and to identify any significant unaccounted secondary trade accruals. • Verified manual journal entries posted to revenue, on a test check basis, to identify unusual items and examining the underlying documentation. • Verified the related disclosures made in notes to the financial statements in accordance with the requirements of the applicable accounting standards. |

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc. but does not include the consolidated financial statements and our auditor's report thereon. The Management report,



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Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc. is expected to be made available to us subsequent to this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc., if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing ("SAs") 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 consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.



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OTHER MATTERS

We did not audit the financial statements of ten subsidiaries whose financial statements reflect total assets of Rs. 1,05,539.17 Lakhs as at March 31, 2023, total revenues of Rs. 87,152.57 Lakhs and net cash flows amounting to Rs. 162 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Certain of these subsidiaries, are located outside India whose financial statements and/or other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.



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- f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group Companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 53 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.
 - iv.
 - (1) The respective Managements of the Holding Company and its subsidiaries which are incorporated in India, whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the Note 64 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (2) The respective Managements of the Holding Company and its subsidiaries, which are companies which are incorporated in India and whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in Note 64 to the Consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries, from any persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement




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- v. The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company, and its subsidiary companies incorporated in India only w.e.f. April 1, 2023, reporting under this clause is not applicable.
2. As required by the Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company and the subsidiary companies to the extent applicable to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.
3. According to the information and explanations given to us and based on the Company (Auditor's Report) Order, 2020 (hereinafter referred as "CARO Reports") issued by us for the Holding Company and on consideration of CARO reports issued by the statutory auditors of subsidiaries included in the consolidated financial statements of the Group to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

For M S K A & Associates
Chartered Accountants
Firm Registration No. 105047W


Nipun Gupta
Partner
Membership No.502896
UDIN: 23502896BGTEUR3640
Place: Gurugram
Date: May 17, 2023



MSKA & Associates

Chartered Accountants

The Palm Springs Plaza
Office No. 1501-B, 15th floor
Sector-54, Golf Course Road
Gurugram 122001, INDIA

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all



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relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M S K A & Associates
Chartered Accountants
Firm Registration No. 105047W

Nipun Gupta

Nipun Gupta

Partner

Membership No. 502896

UDIN: 23502896BGTEUR3640

Place: Gurugram

Date: May 17, 2023



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED

Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Sheela Foam Limited on the consolidated Financial Statements for the year ended March 31, 2023

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls reference to consolidated financial statements of Sheela Foam Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the



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extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



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Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to four subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For M S K A & Associates
Chartered Accountants
Firm Registration No. 105047W

Nipun Gupta

Nipun Gupta
Partner
Membership No. 502896
UDIN: 23502896BGTEUR3640
Place: Gurugram
Date: May 17, 2023



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Sheela Foam Limited
Consolidated Balance Sheet as at March 31, 2023

(Rs. in Lakhs)

| Particulars | Note no. | As at March 31, 2023 | As at March 31, 2022 |
|--|----------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 42,903.60 | 43,547.55 |
| Right-of-use assets | 4 | 10,854.80 | 13,935.72 |
| Capital work-in-progress | 3 | 28,749.03 | 11,999.21 |
| Intangible assets | 5 | 27,402.04 | 25,203.15 |
| Investment property | 6 | 5,338.81 | 5,617.11 |
| Financial assets | | | |
| (i) Investments | 7 | 5,641.29 | 52,883.17 |
| (ii) Loans | 8 | 193.91 | 7.59 |
| (iii) Other financial assets | 9 | 518.97 | 453.61 |
| Deferred tax asset | 10 | 1,357.82 | 783.19 |
| Non-current tax assets (net) | 11 | 1,238.76 | 683.34 |
| Other non-current assets | 12 | 3,543.14 | 2,563.97 |
| Total non-current assets | | 1,27,782.17 | 1,57,877.81 |
| Current assets | | | |
| Inventories | 13 | 33,132.68 | 31,445.89 |
| Financial assets | | | |
| (i) Investments | 14 | 71,195.73 | 8,938.05 |
| (ii) Trade receivables | 15 | 28,197.80 | 26,939.30 |
| (iii) Cash and cash equivalents | 16 | 4,227.05 | 4,081.28 |
| (iv) Bank balances other than cash and cash equivalents | 17 | 26.65 | 31.58 |
| (v) Loans | 18 | 67.05 | 557.36 |
| (vi) Other financial assets | 19 | 99.98 | 2,634.23 |
| Other current assets | 20 | 5,381.02 | 4,021.99 |
| Total current assets | | 1,43,327.76 | 78,648.67 |
| Total assets | | 2,71,079.93 | 2,36,527.28 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 21 | 4,878.28 | 2,439.14 |
| Other equity | 22 | 1,55,160.90 | 1,36,817.48 |
| Equity attributable to shareholders of the Holding Company | | 1,60,039.18 | 1,39,256.62 |
| Non-controlling interest | | 826.46 | 783.33 |
| Total equity | | 1,60,865.64 | 1,40,019.85 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 23 | 28,380.63 | 22,818.16 |
| (ii) Lease liabilities | 24 | 8,748.07 | 10,584.79 |
| (iii) Other non-current financial liabilities | 25 | 2,592.96 | 5,034.08 |
| Provisions | 26 | 1,304.18 | 1,932.59 |
| Other non-current liabilities | 27 | 19.85 | 22.70 |
| Deferred tax liabilities | 28 | 831.68 | 988.99 |
| Total non-current liabilities | | 41,878.39 | 41,338.33 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 29 | 18,380.43 | 10,957.32 |
| (ii) Lease liabilities | 24 | 1,598.40 | 2,306.18 |
| (iii) Trade payables | | | |
| - Total outstanding dues of micro enterprises and small enterprises | 30 | 722.01 | 508.29 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 30 | 25,219.37 | 28,036.46 |
| (iv) Other financial liabilities | 31 | 9,170.50 | 4,402.60 |
| Provisions | 26 | 2,050.75 | 1,056.13 |
| Current tax liabilities (net) | 32 | 117.14 | - |
| Other current liabilities | 33 | 11,076.30 | 7,703.02 |
| Total current liabilities | | 68,334.00 | 64,969.00 |
| Total liabilities | | 1,10,214.29 | 96,307.33 |
| Total equity and liabilities | | 2,71,079.93 | 2,36,527.28 |

Significant accounting policies

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The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration No. : 105047W

Nipun Gupta
Nipun Gupta
Partner
Membership No. : 502896

For and on behalf of the Board of Directors of
Sheela Foam Limited
CIN: L74899DL1971PLC005679

Rahul Gautam
Rahul Gautam
Managing Director
DIN:00192999

Tushaar Gautam
Tushaar Gautam
Whole Time Director
DIN 01846487

Amit Kumar Gupta
Amit Kumar Gupta
Group Chief Financial
Officer

Place: Gurugram
Date: May 17, 2023



Place: Noida
Date: May 17, 2023

Md. Iqbal Ahmad
Md. Iqbal Ahmad
Company Secretary
Membership No. A20821

Sheela Foam Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(Rs. in Lakhs)

| Particulars | Note no. | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|----------|--------------------------------------|--------------------------------------|
| Income | | | |
| Revenue from operations | 34 | 2,87,332.09 | 2,86,557.84 |
| Other income | 35 | 8,650.12 | 7,916.32 |
| Total Income | | 2,95,982.21 | 2,94,474.16 |
| Expenses | | | |
| Cost of materials consumed | 36 | 1,61,830.43 | 1,83,325.03 |
| Purchase of stock-in-trade | 37 | 18,063.14 | 5,353.84 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 38 | (1,208.72) | (977.78) |
| Other manufacturing expenses | 39 | 6,764.73 | 8,228.69 |
| Employee benefits expense | 40 | 27,915.33 | 25,547.57 |
| Finance costs | 41 | 2,107.07 | 1,697.31 |
| Depreciation and amortisation expense | 42 | 8,962.43 | 8,077.73 |
| Other expenses | 43 | 44,239.52 | 35,585.89 |
| Total Expenses | | 2,66,673.93 | 2,64,838.28 |
| Profit before tax | | 27,308.28 | 29,635.88 |
| Income Tax expense | | | |
| Current tax | 62 | 7,875.59 | 8,331.47 |
| Tax expenses related to earlier years | | (77.20) | (22.04) |
| Deferred tax (net) | | (796.33) | (546.35) |
| Total Income tax expense | | 7,002.06 | 7,763.03 |
| Profit for the year | | 20,306.22 | 21,872.80 |
| Other comprehensive income (net of tax) | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Remeasurements gain / (loss) of the net defined benefit plans | | (181.17) | (506.09) |
| Income tax on above item | 62 | 46.60 | 128.67 |
| <i>Items that will be reclassified to profit or loss</i> | | | |
| Fair value gain / (loss) on investments and other financial instruments | | (347.78) | 323.91 |
| Income tax on above item | 62 | 87.53 | (81.52) |
| Exchange differences on translation of foreign operations | | 1,647.08 | (50.04) |
| Total Other comprehensive incomes/ (loss) (net of tax) | | 1,261.26 | (185.07) |
| Total comprehensive income for the year | | 21,567.48 | 21,687.73 |
| Profit for the year attributable to: | | | |
| Shareholders of the Holding Company | | 20,115.67 | 21,732.97 |
| Non-controlling Interest | | 190.55 | 139.83 |
| | | 20,306.22 | 21,872.80 |
| Other Comprehensive Income for the year attributable to: | | | |
| Shareholders of the Holding Company | | 1,251.26 | (185.07) |
| Non-controlling Interest | | - | - |
| | | 1,251.26 | (185.07) |
| Total Comprehensive Income for the year attributable to: | | | |
| Shareholders of the Holding Company | | 21,366.93 | 21,547.90 |
| Non-controlling Interest | | 190.55 | 139.83 |
| | | 21,557.48 | 21,687.73 |
| Earnings per equity share (face value of Rs.5/- each): | 44 | | |
| Basic and diluted (Rs) | | 20.81 | 22.42 |

Significant accounting policies 2
 The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For M S K A & Associates
 Chartered Accountants
 Firm Registration No.: 1D5047W

Nipun Gupta
 Nipun Gupta
 Partner
 Membership No : 502896



Place: Gurugram
 Date: May 17, 2023

For and on behalf of the Board of Directors of
 Sheela Foam Limited
 CIN: L74898DL1971PLC005679

Rahul Gautam
 Rahul Gautam
 Managing Director
 DIN:00192999

Tushaar Gautam
 Tushaar Gautam
 Whole Time Director
 DIN:01646457

Amit Kumar Gupta
 Amit Kumar Gupta
 Group Chief Financial
 Officer

Md. Iqbal Ahmad
 Md. Iqbal Ahmad
 Company Secretary
 Membership No.: A20921

Place: Noida
 Date: May 17, 2023

Sheela Foam Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2023

A. EQUITY SHARE CAPITAL

| Particular | Rs. in Lakhs |
|--|-----------------|
| Balance as at April 01, 2021 | 2,439.14 |
| Add: Issued during the year | - |
| Balance as at March 31, 2022 | 2,439.14 |
| Add: Bonus shares issued during the year | 2,439.14 |
| Balance as at March 31, 2023 | 4,878.28 |

B. OTHER EQUITY

| Particulars | Reserves and surplus | | | | | Items of Other Comprehensive Income | | Total equity attributable to equity holders of the Company | Non-controlling Interest | Total |
|---|----------------------|-------------------|-------------------|--------------------------------------|-----------------|-------------------------------------|-------------------------|--|--------------------------|--------------------|
| | Retained earnings | Capital reserve | General Reserve | Foreign Currency Translation Reserve | Capital Subsidy | Debt Instruments through OCI | Cash flow hedge reserve | | | |
| Balance as at April 01, 2021 | 1,10,120.96 | 2,364.58 | 1,716.27 | 1,549.57 | 56.98 | 181.59 | - | 1,15,969.95 | 891.51 | 1,16,861.76 |
| Profit for the year | 21,732.97 | - | - | - | - | - | - | 21,732.97 | 139.83 | 21,872.80 |
| Capital Subsidy received during the year | - | - | - | - | 13.59 | - | - | 13.59 | - | 13.59 |
| Dividend paid | (146.02) | - | - | - | - | - | - | (146.02) | (226.78) | (372.78) |
| Other Comprehensive Income for the year (net of tax) | (377.42) | - | - | - | - | 242.38 | - | (135.04) | - | (135.04) |
| Other adjustments | 0.70 | - | - | - | - | - | - | 0.70 | 0.95 | 1.65 |
| Exchange gain/(loss) on translation (net) | - | (1,365.96) | - | 1,330.29 | - | - | - | (638.67) | (42.50) | (681.17) |
| Total comprehensive income for the year | 21,210.23 | (1,988.96) | - | 1,330.29 | 13.59 | 242.38 | - | 20,827.53 | (128.48) | 20,899.05 |
| Balance as at March 31, 2022 | 1,31,331.19 | 385.62 | 1,716.27 | 2,879.86 | 70.57 | 423.97 | - | 1,36,817.48 | 763.33 | 1,37,580.81 |
| Profit for the year | 20,115.67 | - | - | - | - | - | - | 20,115.67 | 180.55 | 20,306.22 |
| Capital Subsidy received during the year | - | - | - | - | - | - | - | - | - | - |
| Bonus shares issued during the year | (394.30) | (326.57) | (1,716.27) | - | - | - | - | (2,439.14) | - | (2,439.14) |
| Expenses towards increase in authorized share capital | (50.39) | - | - | - | - | - | - | (50.39) | - | (50.39) |
| Dividend paid | (103.00) | - | - | - | - | - | - | (103.00) | - | (103.00) |
| Other Comprehensive Income for the year (net of tax) | (135.57) | - | - | - | - | - | - | (135.57) | - | (135.57) |
| Other adjustments | 0.16 | - | - | - | (7.17) | - | - | (7.01) | (127.42) | (134.43) |
| Exchange gain/(loss) on translation (net) | - | - | - | 1,647.08 | - | - | - | 1,647.08 | - | 1,647.08 |
| Loss on cash flow hedge reserve (net of tax) | - | - | - | - | - | - | (260.25) | (260.25) | - | (260.25) |
| Realised gain from debt instruments transferred to profit and loss (Net of Tax) | - | - | - | - | - | (423.97) | - | (423.97) | - | (423.97) |
| Total comprehensive income for the year | 19,432.57 | (328.57) | (1,716.27) | 1,647.08 | (7.17) | (423.97) | (260.25) | 18,343.42 | 63.13 | 18,406.55 |
| Balance as at March 31, 2023 | 1,50,763.76 | 67.05 | - | 4,526.94 | 63.40 | - | (260.25) | 1,55,160.90 | 826.46 | 1,55,987.36 |

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration No.: 105047W

Nipun Gupta

Nipun Gupta
Partner
Membership No : 502596

For and on behalf of the Board of Directors of
Sheela Foam Limited
CIN: L74899DL1971PLC005679

Rahul Gautam

Rahul Gautam
Managing Director
DIN:00192999

Tushaar Gautam

Tushaar Gautam
Whole Time Director
DIN:01646487

Amit Kumar Gupta

Amit Kumar Gupta
Group Chief Financial Officer

Md. Iqbal Ahmad

Md. Iqbal Ahmad
Company Secretary
Membership No A20921

Place: Gurugram
Date: May 17, 2023



Place: Noida
Date: May 17, 2023

Sheela Foam Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2023

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| A. Cash flow from operating activities | | |
| Profit before tax | 27,308.28 | 29,635.88 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 8,962.43 | 8,077.73 |
| Finance costs | 2,107.07 | 1,897.31 |
| Advances/Balances written off (including bad debts) | 510.60 | 15.16 |
| Provision for doubtful receivables | 360.20 | 5.07 |
| Provision for warranty | 1,175.79 | 970.42 |
| Subsidy income | (37.43) | (2.94) |
| Net loss on foreign currency forward contracts | 1,322.29 | - |
| Fair value (gain) / loss on investments (net) | (899.08) | 382.97 |
| (Profit) / Loss on sale of investments (net) | (1,868.80) | (1,226.00) |
| Liabilities/provisions no longer required written back | (12.15) | (59.43) |
| Unrealised foreign exchange loss / (gain) (net) | 404.61 | 256.93 |
| Rental Income | (1,256.62) | (1,138.54) |
| Interest Income | (3,276.10) | (3,759.41) |
| (Profit) / loss on sale of property, plant and equipment (net) | (48.72) | 28.16 |
| Operating profit before working capital changes | 34,752.37 | 34,861.41 |
| Changes in working capital: | | |
| (Increase) / Decrease in inventories | (1,184.69) | 84.84 |
| (Increase) / Decrease in loans and trade receivables | (1,860.96) | 1,696.52 |
| (Increase) / Decrease in other financial and non-financial assets | (2,826.29) | (2,918.69) |
| (Decrease) / Increase in trade payables | (2,925.23) | (3,078.36) |
| (Decrease) / Increase in other financial liabilities, non-financial liabilities and provisions | 3,315.53 | (1,522.72) |
| Cash generated from operations | 26,270.73 | 28,144.98 |
| Income tax paid (net of refunds) | (8,070.06) | (9,430.14) |
| Net cash flow from operating activities (A) | 21,200.67 | 19,714.84 |
| B. Cash flow from investing activities | | |
| Purchase of property, plant and equipment and change in capital work-in-progress | (21,162.24) | (16,345.59) |
| Proceeds from sales of property, plant and equipment | 173.96 | 2,054.84 |
| Investment in bonds, debentures and mutual funds (net) | (12,669.62) | (19,915.07) |
| Proceeds from bank deposits | 4.93 | - |
| Loans and advances given | 303.99 | (40.00) |
| Rental Income | 1,256.62 | 1,138.54 |
| Interest income received | 5,251.45 | 2,466.06 |
| Net cash flow (used in) investing activities (B) | (26,840.89) | (30,638.22) |
| C. Cash flow from financing activities | | |
| Payment of dividend during the year | (279.86) | (372.73) |
| Subsidy received during the year | - | 13.59 |
| Fees paid for increase in authorised share capital | (50.39) | - |
| Proceeds from long term borrowings | 7,694.38 | 9,587.46 |
| Repayment of long term borrowings | (3,759.87) | (32.77) |
| Proceeds from short term borrowings | 6,482.11 | 9,310.96 |
| Repayment of short term borrowings | - | (5,652.79) |
| Payment of lease liabilities (principal and interest) | (2,821.38) | (2,445.30) |
| Finance costs | (1,642.59) | (1,140.07) |
| Net cash flow from financing activities (C) | 5,612.40 | 9,286.35 |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | (27.82) | (1,655.03) |
| Effect of exchange differences on translation of foreign currency cash and cash equivalents | 173.59 | - |
| Cash and cash equivalents at the beginning of the year | 4,081.28 | 5,736.31 |
| Cash and cash equivalents at the end of the year | 4,227.05 | 4,081.28 |

Notes :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- Figures in brackets represent cash outflow.
- Components of cash and cash equivalents:

| Particular | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Cash and cash equivalents | | |
| Cash on hand | 13.11 | 20.95 |
| Deposits having original maturity of less than 3 months | 141.76 | 933.87 |
| Balance with banks in current accounts | 4,072.18 | 3,126.46 |
| Balance as per Statement of Cash Flows | 4,227.05 | 4,081.28 |



Sheela Foam Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2023

| Particular | (Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| 4 Changes in liabilities arising from financing activities: | | |
| Borrowings | | |
| Borrowings at the beginning of the year | 33,775.50 | 20,562.84 |
| Proceeds from the borrowings | 14,166.49 | 18,899.42 |
| Repayment of borrowings | (3,759.87) | (5,686.58) |
| Exchange differences on translation of foreign operations | 2,578.94 | - |
| Borrowings as at year end | <u>46,761.06</u> | <u>33,775.50</u> |
| Lease liabilities | | |
| Lease liabilities at the beginning of the year | 12,870.97 | 12,860.24 |
| Addition during the year | 40.54 | 2,490.89 |
| Finance charges | 464.48 | 557.25 |
| Payment of lease liabilities | (2,821.35) | (2,445.30) |
| Cancellation / adjustments | (207.14) | (592.21) |
| Lease liabilities as at year end | <u>10,347.47</u> | <u>12,870.97</u> |

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration No.: 105047W

Nipun Gupta
Nipun Gupta
Partner
Membership No.: 502896

Place: Gurugram
Date: May 17, 2023



For and on behalf of the Board of Directors of
Sheela Foam Limited
CIN: L74899DL1971PLC005679

Rahul Gautam
Rahul Gautam
Managing Director
DIN:00192999

Place: Noida
Date: May 17, 2023

Rushair Gautam
Rushair Gautam
Whole Time Director
DIN:01546487

Amit Kumar Gupta
Amit Kumar Gupta
Group Chief Financial
Officer

Md. Iqbal Ahmad
Md. Iqbal Ahmad
Company Secretary
Membership No.: A20921

SHEELA FOAM LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1. GROUP INFORMATION

Sheela Foam Limited ('the Holding Company') is a ISO 9001:2000 public limited Group incorporated in India with its registered office in New Delhi. The Holding Group is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

The Holding Company, pioneered in the manufacturing of polyurethane foams, has eleven subsidiary companies (including step down subsidiaries) (two Foreign Subsidiaries 'Joyce Foam PTY Ltd., Australia and its Controlled Entity Joyce W C NSW Pty Limited' and 'International Foam Technologies Spain, S.L.U and its Controlled Entity Interplasp S.L') and (four Indian Subsidiaries 'Divya Software Solutions Private Limited', 'Sleepwell Enterprises Private Limited', 'International Comfort Technologies Private Limited' and 'Staqo World Private Limited and its three Controlled Foreign Entities 'Staqo World Kft, Hungry, Staqo Incorporated, USA and Staqo Technologies L.L.C, Dubai').

The accompanying Consolidated Financial Statements relate to Sheela Foam Limited ('the Holding Company') and its eleven subsidiary companies (including step down subsidiaries) (together referred as "the Group").

The consolidated financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorized for issue on May 17, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance and Basis of Preparation

a. Basis of Preparation:

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act. The consolidated financial statements have been prepared on accrual and going concern basis. All the assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

The consolidated financial statements have been prepared on a historical cost basis, except, except for the following:

- certain financial assets and liabilities (including derivative instruments), measured at fair value (refer accounting policy regarding financial instruments).
- defined benefit plans - plan asset measured at fair value.

b. Functional and presentation currency

The consolidated financial statements are prepared in Indian Rupees ('Rs.'), which is the Holding Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimal places, unless stated otherwise.

c. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it is: -

- expected to be realized, or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.



SHEELA FOAM LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

All other assets are classified as non-current.

A liability is classified as current when it is:

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within 12 months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities:

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle:

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalent. The Group has identified twelve months as its operating cycle.

d. Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure and the disclosure of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying consolidated financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

These estimates and assumptions are based on the facts and events, that existed as at the date of Balance Sheet, or that occurred after that date but provide additional evidence about conditions existing as at the Balance Sheet date.

1. Useful lives of Property Plant and Equipment

The Property, Plant and Equipment are depreciated on a pro-rate basis on written down value basis, in case of Holding Group (Sheela Foam Limited) and Indian Subsidiaries and on a straight line basis, in the case of foreign Subsidiaries, over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 2.3 below. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the financial position in future years.

2. Retirement benefit obligation

The cost of retirement benefits and present value of the retirement benefit obligations in respect of Gratuity and Leave Encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, these retirement benefit obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long-term government bonds with extrapolated maturity corresponding to the expected duration of these obligations.



SHEELA FOAM LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

The mortality rate is based on publically available mortality table for the specific countries. Future salary, seniority, promotion and other relevant factors and pension increases are based on expected future inflation on a long-term basis. Further details about the assumptions used, including a sensitivity analysis are given in Note 44.

3. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

4. Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5. Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

6. Impairment of Goodwill

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a Cash Generating Unit is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes. The value in use calculation is based on a discounted future cash flows model. The recoverable amount is sensitive to the discount rate used for the discounted future cash flows model as well as the expected future cash-inflows.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell.



SHEELA FOAM LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Determination of Cash Generating Unit

While assessing impairment, the management has identified every company in which goodwill has generated on acquisition of its subsidiary as the cash generating unit for the purposes of determining the recoverable value.

Significant Cash Generating Units (CGUs)

The management has determined one of the foreign step down subsidiary company located in Spain that is Interplasp S.L. as the significant cash generating unit for the purposes of determining the recoverable value.

(Rs in Lakhs)

| Particular | March 31, 2023 | March 31, 2022 |
|-------------------|----------------|----------------|
| Acquired Goodwill | 26,366.16 | 24,165.95 |

Following key assumptions were considered while performing impairment testing:

| Factors tested | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Average Sales Growth rate for 5 years | 10% | 10% |
| Average terminal growth rate | 1.5% | 1.5% |
| Margin | 10.8% | 10.8% |
| Weighted Average Cost Capital % (WACC) post tax (Discount rate) | 8.25% | 8% |

The projections cover a period of five years, as the Company believes this to be the most appropriate timescale over which to review and consider annual performances before applying a terminal value multiple to the final year cash flows. The growth rates and segmental margins used to estimate cash flows for the first five years are based on past performance, and on the Company's five-year strategic plan.

Weighted Average Cost of Capital % (WACC) for the Company = Risk free return + (Market risk premium x Beta).

Impairment

As per the computation, the value in use exceeds the carrying value of subsidiary company and accordingly the management has concluded that no impairment needs to be recognised for the current year.

The Company has performed sensitivity analysis and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of a CGU to exceed its recoverable amount.

2.2 BASIS OF CONSOLIDATION

Control is achieved when the group is exposed or has rights to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consolidation of a subsidiary begins with the group obtains control over the subsidiary and ceases when group loses control of the subsidiary. The Consolidated Financial Statements have been prepared on the following basis: -

Basis of Accounting:

i) The financial statements of all subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Holding company, i.e., year ended on 31 March. When the end of the period of the holding company is different from that of a subsidiary,



SHEELA FOAM LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the holding company to enable the holding company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

- ii) In case of foreign Subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rates prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve.
- iii) The consolidated financial statements have been prepared in accordance with Indian Accounting Standard - 110 "Consolidated Financial Statements".

Principles of Consolidation:

- i) The financial statements of the Holding Company and its Subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating the intra-group balances and intra-group transactions and unrealized profits or losses in accordance with Indian Accounting Standard - 110 on "Consolidated Financial Statements". Non - controlling interests in the results and equity of subsidiaries are shown separately in the consolidated financials statement .
- ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Group's separate financial statements except as otherwise stated in the Significant Accounting Policies.
- iii) The difference between the costs of investments in the Subsidiaries over the net assets at the time of acquisition of shares in the Subsidiaries is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve as the case may be.

The Consolidated Financial Statements of the Holding Group includes the results of following entities:

| Name of Company | Country of Incorporation | Proportion (%) of Shareholding as on 31.03.2023 | Proportion (%) of Shareholding as on 31.03.2022 |
|--|--------------------------|---|---|
| Subsidiary Companies | | | |
| Joyce Foam Pty. Limited and its Controlled Entity (Joyce W C NSW Pty Limited) | Australia | 100% | 100% |
| International Foam Technologies SL, Spain and its Controlled Entity (Interplasp S.L) | Spain | 100% | 100% |
| Divya Software Solutions Private Limited | India | 100% | 100% |
| Sleepwell Enterprises Private Limited | India | 100% | 100% |
| Staqo World Pvt. Ltd. and its 3 Controlled Entities (Staqo Technologies L.L.C. , Staqo World LLC and Staqo Incorporated) | India | 100% | 100% |
| International Comfort Technologies Private Limited | India | 100% | -- |

2.3 Property, Plant & Equipment

Property, Plant & Equipment are accounted for on historical cost basis (Inclusive of the cost of installation and other incidental costs till the date of commencement of commercial production) net of recoverable taxes, less accumulated depreciation and impairment loss, if any. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.



SHEELA FOAM LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Subsequent costs are added to the existing asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Cost of leasehold land is amortized over the period of lease. Leasehold improvements are amortized over the lease period, which corresponds with the useful life of assets.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

In the case of the Holding Company (Sheela Foam Limited) and Indian Subsidiaries (Divya Software Solutions Private Limited, Sleepwell Enterprises Private Limited, Staqa World Private Limited and International Comfort Technologies Private Limited)

Depreciation on property, plant & equipment is provided on a pro-rata basis on written down value basis, over the useful life of the assets estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The asset's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The property, plant and equipment costing upto Rs. 5,000/- are fully depreciated during the year of addition after retaining 5% as net residual value. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

| Asset | Useful life as per Schedule II of the Companies Act, 2013 (No. of Years) | Useful life as assessed / estimated by the Group (No. of Years) |
|-------------------------------------|--|---|
| Buildings : | | |
| - Factory (including roads & lanes) | 30 | 29 |
| - Office | 60 | 4-59 |
| - Residential | 60 | 59 |
| Plant & Equipment | 15 | 20 |
| Furniture & Fixtures | 10 | 15 |
| Vehicles : | | |
| - Motor Cars | 8 | 10 |
| Office Equipment | 5 | 20 |
| Date Processing Equipment : | | |
| - Computer Equipment | 3 | 6 |
| Electrical Fittings | 10 | 20 |

Based on usage pattern, technical evaluation and internal assessment, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

In the case of foreign Subsidiaries (Joyce Foam Pty. Ltd. and its Controlled Entities, and International Foam Technologies SL, Spain and its Controlled Entities)

The depreciable amount of all fixed assets including capitalised lease assets, is depreciated on a straight line basis over the estimated useful lives to the Group commencing from time the assets is



SHEELA FOAM LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

| Asset | Useful Life range |
|----------------------------|-------------------|
| Buildings | 34 to 36 years |
| Technical Installations | 10 to 20 years |
| Plant & Machinery | 8 to 20 years |
| Furniture & Furnishings | 3 to 7 years |
| Tooling & Other Facilities | 10 years |
| Data Processing Equipment | 4 to 6 years |
| Vehicles | 6 to 7 years |
| Other Assets | 8 to 9 years |

Transition to Ind AS

On transition to Ind AS, the Group (in respect of companies incorporated in India) has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.a

2.4 Investment Property

Property that is held for long- term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are added to the carrying amount only when it is probable that it will increase its useful life. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. Though the Group measures investment property using cost based measurement, the fair value of the investment property is disclosed in the notes. Fair value is determined based on an annual evaluation performed by an accredited external independent valuer applying a recognized and recommended valuation model.

Depreciation on investment property, is provided on a pro-rate basis on written down value basis, over the useful life of the property estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The property's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

| Asset | Useful life as per Schedule II of the Companies Act, 2013 (No. of Years) | Useful life as assessed / estimated by the Group (No. of Years) |
|--------------------|--|---|
| Buildings : | | |
| - Factory | 30 | 29 |
| - Office | 60 | 59 |
| - Residential | 60 | 59 |

Based on usage pattern, technical evaluation and internal assessment, the management believes that the useful lives as given above best represent the period over which the management expects to use these properties. Hence the useful lives of these properties is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Investment property is derecognized when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its



SHEELA FOAM LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

disposal. Any gain or loss arising on de-recognition of the investment property is included in the Statement of Profit and Loss.

Transfers are made to / from investment property only when there is a change in its use. Transfers between investment property is made at the carrying amount of the property transferred.

Transition to Ind AS

On transition to Ind AS, since there is no change in the functional currency, the Group (in respect of companies incorporated in India) has elected to continue with the carrying value for all of its investment property as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., April 01, 2016.

2.5 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

(a) Initial recognition and measurement

At initial recognition, all financial assets are recognized at its fair value plus, in the case of a financial asset not carried at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(b) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- a. at amortized cost;
- b. at fair value through other comprehensive income (FVTOCI); and
- c. at fair value through profit and loss (FVTPL)

Where financial assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit and loss), or recognized in other comprehensive income (i.e. fair value through Other Comprehensive Income).

The classification of financial assets depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

(1) Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if both the following conditions are met:

- Business Model Test: The objective of the business model is to hold financial asset in order to collect contractual cash flows (rather than to sell the asset prior to its financial maturity to realize its fair value changes); and
- Cash Flow Characteristics Test: The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.



SHEELA FOAM LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

This category is most relevant to the Group. After initial measurement, such financial asset are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in interest income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade receivables, deposits with banks, security deposits, cash and cash equivalents and employee loans, etc.

(2) Financial instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- **Business Model Test:** The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- **Cash Flow Characteristics Test:** The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Profit and Loss.

(3) Financial instruments measured at Fair Value Through Profit and Loss (FVTPL)

Fair Value through Profit and Loss is a residual category. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified as FVTPL. Financial instruments included in FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements i.e. gain or loss and interest income are recorded in Statement of Profit and Loss.

(c) Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial Assets measured at amortized cost;
- Financial Assets measured at FVTOCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Financial assets that are debt instruments, and are measured at amortized cost i.e. trade receivables, deposits with banks, security deposits and employee loans etc.
- Financial assets that are debt instruments, and are measured at FVTOCI,

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.



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The trade receivables are initially recognized at the sale/recoverable value and are assessed at each Balance Sheet date for collectability. Trade receivables are classified as current assets, if collection is expected within twelve months as at Balance Sheet date, if not, they are classified under non-current assets.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months (Expected Credit Loss) ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on timely basis.

(d) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's Balance Sheet) when:

- a. The rights to receive cash flows from the asset have been expired/transferred, or
- b. The Group retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Group has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade payables, borrowings, security deposits and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit or Loss.



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Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in Other Comprehensive Income. These gains/ losses are not subsequently transferred to Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the Statement of Profit and Loss.

Borrowings & Security Deposits

Any difference between the proceeds (net of transaction costs) and the repayment amount is recognized in Statement of profit or loss over the period of the liability and subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR.

Financial Guarantee Contract

Financial guarantee contracts issued by the Holding Group are those contracts that require a payment to be made to reimburse the holder for loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Trade and other payables

Trade and other payables are obligations incurred by the Group towards purchase of raw material and other goods and availing the services that have been acquired or availed in the ordinary course of business. Trade and other payables are classified under current liabilities, if payment is due within 12 months as at Balance Sheet date, if not, they are classified under non-current liabilities.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(iii) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(iv) Derivative Financial Instruments :

Initial recognition and subsequent measurement

The Holding Company uses derivative financial instruments to hedge its foreign currency risk and interest rate risk. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Statement of Profit or Loss and Other Comprehensive Income. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.



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Hedge Accounting

The Holding Company designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as cash flow hedges.

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements: -

- There is an economic relationship between the hedged items and the hedging instruments,
- the effect of credit risk does not dominate the value changes that result from that economic relationship,
 - the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Holding Company documents whether the hedging instrument is highly effective in offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The Holding Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit or Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit or Loss upon the occurrence of the underlying transaction.

2.6 Inventories

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods comprises is determined on weighted average and its cost comprises of direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods includes cost of purchase and such other costs.

In determining the cost of inventories, first-in-first-out cost method is used.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.



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The comparison of cost and net realizable value is made on item-by-item basis.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

2.8 Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets, other than deferred tax assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit or Loss and Other Comprehensive Income. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the assets of the CGU on a pro rata basis. Refer note 3 for the use of estimates and judgments for assessing impairment of goodwill.

2.9 Provisions and Contingent Liabilities

a) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balances sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Provision for Warranty

Warranty provision is determined based on the historical percentage of warranty expense to sales for the same types of goods depending upon the warranty period offered. The percentage to the sales is applied to derive the warranty expense to be accrued. Actual warranty claims are settled against warranty provision. The warranty claims may not exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence. Closing warranty provision is bifurcated into Current and Non-current based on the past settlement trend with the non-current portion being discounted to derive the present value. The assumptions are consistent with prior years.



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c) Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

2.10 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

IND As 115 five step model is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligation in contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Sales are recognized at the fair value of the consideration that can be reliably measured and reduced by variable consideration. Variable consideration includes sales returns, trade discounts, volume based incentives, and cost of promotional programs, indirect taxes as may be applicable.

The Group provides various volume based rebates to certain customers once the goods are purchased by them above a certain threshold as specified in the scheme letter. Rebates outstanding at the balance sheet date are adjusted against the amount receivable from the customer. To estimate and recognise the liability for the incentives the Group used the methods which best predicts the amount of incentives and is primarily driven by the number of volume thresholds mentioned in the contracts.

i) Sale of goods - distributors

The Group operates via chain of distributors selling mattresses and home comfort products. Revenue from the such sales is recognised when control of the products being sold is transferred to distributor and when there are no longer any unfulfilled obligations. As per Group's policies the performance obligations are fulfilled at the time of dispatch from the factory or warehouse.

Group's contract with trade customers do not have financing component or non-cash consideration and the Group does not have any unbilled revenue or deferred revenue.

It is the Group's policy to sell its products to the end customer with a right of return within a stipulated time period. Therefore, a refund liability (included in other current liabilities) and a right to recover the returned goods (included in other current assets) are recognised for the products expected to be returned, based on estimate. Historical data and past trends are used to estimate such returns. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

The Group's obligation to replace faulty products under the standard warranty terms is recognised as a provision (Refer Note 25).

ii) Sale of goods - B2B

The Group manufactures and sells a range of industrial foam and cushioning foam to B2B segment. Sales are recognised when control of the products has transferred, that is when the products are dispatched from the factory or the warehouse.



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iii) Sale of services

The IT consulting division provides business IT management, design, implementation and support services under fixed-price and variable-price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Some contracts include multiple deliverables, such as the sale of hardware and related installation services. However, the installation is simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.

Other Income

i) Interest income from Bonds

Interest income from bonds at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

ii) Rental income

Rental income from operating leases where the Group's entity is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

iii) Income from sale of investments

The Group earns profit/loss on sale of bonds and mutual funds. When these investments are sold, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss.

2.11

Government Grants / Subsidy

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.



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2.12 Employee Benefits

In the case of the Holding Company (Sheela Foam Limited) and Indian Subsidiaries (Divya Software Solutions Private Limited, Sleepwell Enterprises Private Limited, Staqa World Private Limited and International Comfort Technologies Private Limited)

a. Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia, performance incentive/pay etc. and the same are recognized in the period in which the employee renders the related services.

b. Long Term Benefit

The employees are entitled to long service award (LSA), as retention earned leave, after completion of service of five years, which can be en-cashed or accumulated till retirement. The liability towards LSA is provided for on accrual basis as estimated by the management.

c. Post-Employment Benefits

i. Defined contribution plan:

Approved provident fund scheme, employees' state insurance fund scheme and employees' pension scheme are defined contribution plans. There is no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

ii. Defined benefit plan:

Gratuity

Gratuity, being a defined benefit plan (the 'Gratuity Plan') covers eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise. The Holding Company Liability is funded through a separate Gratuity Trust. The short/ excess of gratuity liability as compared to the net fund held by the Gratuity Trust is accounted for as liability/ asset as at the Balance Sheet date.

d. Other Long Term Benefits

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under defined benefit plans can be encashed only on discontinuation of service by employee.



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ii. Employees State Insurance Scheme

Contribution towards employees' state insurance scheme is made to the regulatory authorities, as applicable and has no further obligations. Such benefits are classified as Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

In the case of foreign Subsidiaries (Joyce Foam Pty. Ltd. and its Controlled Entity, and International Foam Technologies SL, Spain and its Controlled Entity)

Provision is made for the liability for employee benefits arising from services rendered by employees to balance sheet date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those of benefits.

2.13 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, for a period of time in exchange for consideration even if that right is not explicitly specified in an arrangement.

Group as a lessee

The Group's lease assets classes primarily consist of leases for Land & Buildings. The Group assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low value assets. For these short-term and leases of low value assets, the Group recognises the lease payments as an operating expense in the statement of profit and loss.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. It is re-measured to reflect any reassessment



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or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group separately recognizes the interest expense on the lease liability as finance cost and the depreciation expense on the right-of-use asset.

Group as a lessor

Lease income from operating lease is recognized on a straight-line basis or another systematic basis as per the terms of the relevant lease. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as lease income.

2.14 Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency existing as at the balance sheet date are translated at the year end exchange rates. Exchange rate differences arising on settlement of transaction and translation of monetary items are recognized as income or expenses in the year in which they arise. The long term foreign currency monetary items are carried at the exchange rate prevailing on the date of initial transaction.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of initial transactions.

2.15 Taxation

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

a) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

b) Deferred Tax

Deferred tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in consolidated financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously,



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in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.16 Dividend Distribution:

The group recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Entity and is declared by the shareholders. A corresponding amount is recognized directly in the Equity.

2.17 Earnings per Share:

Basic earnings per share is calculated by dividing net profit of the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding without a corresponding change in the resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.18 Goodwill

Business Combinations are accounted for using the acquisition method of accounting, except for common control transactions which are accounted using the pooling of interest method that is accounted at carrying values.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities assumed at their acquisition date i.e. the date on which control is acquired. Contingent consideration to be transferred is recognised at fair value and included as part of cost of acquisition. Transaction related costs are expensed in the period in which the costs are incurred.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Goodwill arising on business combination is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the fair value of net identifiable assets acquired and liabilities assumed. After initial recognition, Goodwill is tested for impairment annually and measured at cost less any accumulated impairment losses if any

Goodwill is not amortized; however, it is tested annually for impairment and whenever there is an indication that the unit may be impaired and carried at cost less any accumulated impairment losses.

For the purpose of impairment testing, the goodwill is allocated to a cash-generating-unit ('CGU') or group of CGUs ('CGUs'), which are expected to benefit from the acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying value of a CGU / CGUs including the goodwill, exceeds the estimated recoverable amount of the CGU / CGUs. The recoverable amount of a CGU / CGUs is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of future cash flows expected to be derived from the CGU / CGUs.

The total impairment loss of a CGU / CGUs is allocated first to reduce the carrying value of goodwill



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allocated to that CGU / CGUs and then to the other assets of that CGU / CGUs - on pro-rata basis of the carrying value of each asset.

2.19 Transactions within Group

Transactions including expenses to be shared between the companies within the Group are initially recorded under operational heads by the respective Group, and reduced on actual or proportionate (where those are not directly attributable) basis during consolidation.

2.20 Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

2.21 Contributed equity

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds.

2.22 Standards (including amendments) issued but not yet effective.

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023, to amend certain Ind ASs which are effective from 01 April, 2023: Below is a summary of such amendments:

(i) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements

The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(ii) Definition of Accounting Estimates - Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The amendments are not expected to have a material impact on the Company's financial statements.

2.23 Standards that became effective during the year

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from 01 April 2022

(i) Onerous Contracts- Cost of Fulfilling a Contract - Amendments to Ind AS 37
Ind AS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Company has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to Ind AS 37 clarify, that the costs relating directly to the contract consist of both:

- The incremental costs of fulfilling that contract- e.g. direct labour and material; and
- An allocation of other costs that relate directly to fulfilling contracts: e.g. Allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

These amendments have no impact on the financial statements of the Company.

(ii) References to the Conceptual Framework - Amendments to Ind AS 103
The amendments update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendment also add a new exception in Ind AS 103 for liabilities and contingent liabilities.

These amendments have no impact on the financial statements of the Company.

(iii) Property, Plant and Equipment: Proceeds Before Intended Use- Amendment to Ind AS 16
The amendment to Ind AS 16 clarifies that any excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

These amendments had no impact on the year-end financial statements of the Company as there were no sales of such items.

(iv) Ind AS 109 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liability

The amendment clarifies which fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the year.



Sheela Foam Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

| Particulars | (Rs. in Lakhs) | | | | | | | | | |
|--------------------------------------|-----------------|-------------------------------------|-----------------------------|------------------------------|------------------------|----------|------------------|---------------------|-------------------------------------|--------------------------|
| | Land - freehold | Buildings (including Roads & Lanes) | Plant & Equipment Free Hold | Plant & Equipment Lease Hold | Furniture and fixtures | Vehicles | Office equipment | Electrical fittings | Total property, plant and equipment | Capital work-in-progress |
| At cost or deemed cost | | | | | | | | | | |
| As at April 1, 2021 | 1,850.85 | 24,387.13 | 36,875.94 | 116.00 | 1,252.16 | 994.92 | 2,087.34 | 1,371.34 | 68,945.46 | 3,256.46 |
| Additions | 51.81 | 51.81 | 5,587.86 | - | 148.38 | 319.51 | 279.35 | 143.51 | 8,510.40 | 15,696.22 |
| Disposals/transfer/Adjustments | (6.69) | (359.78) | (1,426.26) | (1.34) | (3.86) | (85.39) | (19.04) | (2.62) | (1,904.97) | (6,965.49) |
| As at March 31, 2022 | 1,843.96 | 24,079.16 | 41,017.54 | 114.66 | 1,396.66 | 1,229.05 | 2,357.65 | 1,612.23 | 73,550.91 | 11,969.21 |
| Additions | 29.11 | 1,892.09 | 1,617.61 | - | 99.58 | 539.07 | 330.11 | 8.54 | 4,416.31 | 17,919.08 |
| Disposals/transfer/ Adjustments | (9.02) | (9.02) | (166.83) | - | (17.40) | (80.82) | (68.11) | (0.23) | (362.41) | (1,173.16) |
| Foreign Currency Translation Reserve | 13.19 | 636.73 | 893.07 | (0.08) | 3.49 | (0.17) | 10.91 | - | 1,597.14 | 13.89 |
| As at March 31, 2023 | 1,866.26 | 26,598.96 | 43,301.38 | 114.58 | 1,482.33 | 1,687.13 | 2,610.56 | 1,520.54 | 79,201.95 | 28,749.03 |
| Accumulated depreciation | | | | | | | | | | |
| As at April 1, 2021 | - | 5,785.65 | 17,496.28 | 10.86 | 532.33 | 544.58 | 1,082.08 | 483.21 | 25,948.09 | - |
| Depreciation charge for the year | - | 1,229.57 | 2,858.66 | 5.77 | 133.53 | 136.30 | 240.21 | 131.14 | 4,865.18 | - |
| Disposals/adjustments | - | (62.19) | (635.60) | (4.82) | (2.14) | (60.56) | (14.19) | (0.41) | (779.91) | - |
| As at March 31, 2022 | - | 6,953.03 | 19,822.24 | 11.03 | 663.72 | 620.32 | 1,308.08 | 613.94 | 30,003.36 | - |
| Depreciation charge for the year | - | 1,815.96 | 3,069.81 | 5.73 | 182.57 | 233.01 | 342.56 | 130.85 | 5,750.35 | - |
| Disposals/adjustments | - | (3.05) | (107.33) | - | (7.77) | (44.98) | (73.96) | (0.20) | (237.16) | - |
| Foreign Currency Translation Reserve | - | 153.13 | 618.08 | (0.01) | 1.53 | (0.13) | 9.19 | - | 781.79 | - |
| As at March 31, 2023 | - | 8,919.12 | 23,402.90 | 17.65 | 810.05 | 808.24 | 1,686.00 | 754.39 | 36,296.35 | - |
| Net carrying amount | | | | | | | | | | |
| As at March 31, 2022 | 1,843.96 | 17,126.13 | 21,195.20 | 102.73 | 732.94 | 806.73 | 1,049.57 | 886.29 | 43,547.55 | 11,969.21 |
| As at March 31, 2023 | 1,866.26 | 17,679.84 | 19,899.59 | 98.93 | 672.28 | 878.89 | 1,024.55 | 766.15 | 42,803.60 | 28,749.03 |

Notes:

- Property, plant and equipment and capital work-in-progress has been pledged as security amounting Rs.49,038.43 Lakhs (March 31, 2022 : Rs. 37,222.83 Lakhs).
- Refer note no. 52 for disclosure of commitment for expenditure on account of acquisition of Property, plant and equipment
- There are no title deeds of immovable Properties, which are not held in name of the Group.

d. Capital Work-in-progress represents assets under construction & installation at various sites and ageing analysis is as below:

| Particular | (Rs. in Lakhs) | | | | | |
|----------------------|------------------|-----------|-------------------|------------------|-----------|-------------------|
| | March 31, 2023 | | | March 31, 2022 | | |
| | Less than 1 year | 1-2 years | More than 3 years | Less than 1 year | 1-2 years | More than 3 years |
| Projects in progress | 25,560.81 | 3,186.12 | - | 11,899.21 | - | - |
| Total | 25,560.81 | 3,186.12 | - | 11,899.21 | - | - |

e. Schedule for Capital work-in-progress whose completion is overdue compared to its original plan:-

| Particular | (Rs. in Lakhs) | | | | | |
|----------------------|------------------|-----------|-------------------|------------------|-----------|-------------------|
| | March 31, 2023 | | | March 31, 2022 | | |
| | Less than 1 year | 1-2 years | More than 3 years | Less than 1 year | 1-2 years | More than 3 years |
| Projects in progress | 10,360.22 | - | - | - | - | - |
| Total | 10,360.22 | - | - | - | - | - |



Sheela Foam Limited

Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 4 : RIGHT OF USE ASSETS

| (Rs. in Lakhs) | | | | |
|-------------------------------------|----------------|-----------|-------------------|-----------|
| Particulars | Leasehold land | Buildings | Plant & Equipment | Total |
| Cost | | | | |
| At April 1, 2021 | 2,104.72 | 14,506.09 | 174.19 | 16,785.00 |
| Additions | 2,628.77 | 787.57 | - | 3,416.34 |
| Disposal/Transfer | (594.33) | (166.90) | (2.01) | (763.24) |
| As at March 31, 2022 | 4,139.16 | 15,126.76 | 172.18 | 19,438.10 |
| Additions | - | 40.54 | - | 40.54 |
| Disposal/Transfer | (5.81) | (277.77) | (0.14) | (283.52) |
| As at March 31, 2023 | 4,133.55 | 14,889.53 | 172.04 | 19,195.12 |
| Accumulated depreciation | | | | |
| At April 1, 2021 | 100.37 | 2,434.02 | 70.73 | 2,605.12 |
| During the year | 111.12 | 2,803.89 | 39.05 | 2,954.06 |
| Disposal/Transfer | (12.10) | (43.65) | (1.04) | (56.80) |
| As at March 31, 2022 | 199.39 | 5,194.25 | 108.74 | 5,502.38 |
| During the year | 203.07 | 2,691.89 | 37.23 | 2,932.19 |
| Disposal/Transfer | - | (84.15) | (0.10) | (84.25) |
| As at March 31, 2023 | 402.46 | 7,791.99 | 145.87 | 8,340.32 |
| Net book value as at March 31, 2022 | 3,939.77 | 9,932.51 | 63.44 | 13,935.72 |
| Net book value as at March 31, 2023 | 3,731.09 | 7,097.54 | 26.17 | 10,854.80 |

(i) Refer note no. 47 for detailed disclosures as per Ind AS 116 "Leases".

(ii) Leasehold land has been pledged as security amounting Rs.730.27 Lakhs (March 31, 2022 Rs. 737.91 Lakhs).

NOTE 5 : INTANGIBLE ASSETS

| (Rs. in Lakhs) | | | |
|--------------------------------------|------------|-------------------------|------------|
| Particulars | Goodwill | Other Intangible assets | Total |
| Cost | | | |
| At April 1, 2021 | 26,308.89 | 292.89 | 26,601.78 |
| Additions | - | 4.73 | 4.73 |
| Disposal/Transfer | (1,108.13) | (12.93) | (1,121.06) |
| As at March 31, 2022 | 25,198.56 | 284.79 | 25,483.35 |
| Additions | - | - | - |
| Disposal/Transfer | - | - | - |
| Foreign Currency Translation Reserve | 2,200.19 | 25.93 | 2,226.12 |
| As at March 31, 2023 | 27,398.75 | 310.72 | 27,709.47 |
| Accumulated Amortisation | | | |
| At April 1, 2021 | - | 292.89 | 292.89 |
| Charge for the year | - | 0.14 | 0.14 |
| Disposal/Transfer | - | (12.93) | (12.93) |
| As at March 31, 2022 | - | 280.20 | 280.20 |
| Charge for the year | - | 1.59 | 1.59 |
| Disposal/Transfer | - | - | - |
| Foreign Currency Translation Reserve | - | 25.64 | 25.64 |
| As at March 31, 2023 | - | 307.43 | 307.43 |
| Net book value as at March 31, 2022 | 25,198.56 | 4.59 | 25,203.15 |
| Net book value as at March 31, 2023 | 27,398.75 | 3.29 | 27,402.04 |

Note : Intangible assets has been pledged as security amounting Rs. 33.65 Lakhs (March 31, 2022 : Rs. 33.67 Lakhs).



Sheela Foam Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 6 : INVESTMENT PROPERTY

| (Rs. in Lakhs) | | | | |
|-------------------------------------|---------------|----------------|-----------|----------|
| Particulars | Freehold land | Leasehold land | Buildings | Total |
| Cost | | | | |
| At April 1, 2021 | 10.90 | 68.47 | 6,328.54 | 6,407.91 |
| Additions | - | - | - | - |
| Disposal/Transfer | - | - | - | - |
| As at March 31, 2022 | 10.90 | 68.47 | 6,328.54 | 6,407.91 |
| Additions | | | | |
| Disposal/Transfer | - | - | - | - |
| As at March 31, 2023 | 10.90 | 68.47 | 6,328.54 | 6,407.91 |
| Accumulated depreciation | | | | |
| At April 1, 2021 | - | 4.55 | 497.89 | 502.44 |
| Charge for the year | - | 0.91 | 287.45 | 288.36 |
| Disposals during the year | - | - | - | - |
| As at March 31, 2022 | - | 5.46 | 785.34 | 790.80 |
| Charge for the year | - | 0.91 | 277.39 | 278.30 |
| Disposals during the year | - | - | - | - |
| As at March 31, 2023 | - | 6.37 | 1,062.73 | 1,069.10 |
| Net book value as at March 31, 2022 | 10.90 | 63.01 | 5,543.20 | 5,617.11 |
| Net book value as at March 31, 2023 | 10.90 | 62.10 | 5,265.81 | 5,338.81 |

Notes:

- a. Refer 'Para- 2.4' of Significant Accounting Policies for depreciation and measurement of investment property.
b. The leasehold land has been amortised during the year by Rs. 0.91 lakhs (March 31, 2022 : Rs. 0.91 lakhs) as per the accounting policy in terms of the Ind AS 40 on 'Investment Property'.
c. Income from investment property:

| (Rs. in Lakhs) | | |
|---|-------------------------|-------------------------|
| Particulars | As at March 31, 2023 | As at March 31, 2022 |
| Rental Income derived from investment property | 216.63 | 214.73 |
| Profit arising from investment property before depreciation | 216.63 | 214.73 |
| (Less): Depreciation for the year | (278.30) | (288.36) |
| Net profit / (loss) arising from investment property | (61.67) | (73.63) |

d. The Group has obtained independent valuation for its investment properties at Rs. 11,431.96 Lakhs as on March 31, 2023 and Rs. 10,857.04 Lakhs as on March 31, 2022. These valuations are based on valuations performed by K.S. Agrawal Associates, an accredited independent valuer. K.S. Agrawal Associates is a specialist in valuing these types of investment properties and reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an asset of equivalent utility, depreciation and obsolescence.

Fair market value is the amount expressed in terms of money that may reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that Group shall continue to operate and run the assets to have economic utility. The fair value is on 'as is where is' basis.

e. There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements thereof and there are no restriction on remittance of income and proceeds of disposal.

f. The investment properties which are leasehold properties, realisability of the same is subject to the terms and conditions under the respective lease agreements.

g. The Group's Investment Properties are given on cancellable lease for a period 1-10 years.



Sheela Foam Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 7 : INVESTMENTS (NON CURRENT)

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| In Bonds & Debentures - fully paid up | | |
| Carried at amortised cost - Unquoted | 0.35 | 0.35 |
| Carried at fair value through Other Comprehensive Income - Quoted | - | 47,876.02 |
| Carried at fair value through Profit & Loss - Unquoted | 5,840.94 | 5,008.80 |
| Total Investments | 5,841.29 | 52,885.17 |
| Aggregate amount of Quoted Investments | - | 47,876.02 |
| Market value of Quoted Investments | - | 47,876.02 |
| Aggregate amount of Unquoted investment | 5,841.29 | 5,007.15 |
| Aggregate amount of impairment in value of investments | - | - |

The above bonds and debentures carries coupon rate ranging from 6% to 10.50% (March 31, 2022 9% to 10.50%)

NOTE 8 : LOANS (NON CURRENT)

| Particulars | (Rs. in Lakhs) | |
|------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (Unsecured, considered good) | | |
| At amortised cost | | |
| Loans to employees | 10.53 | 7.59 |
| Other Loans | 183.38 | - |
| Total | 193.91 | 7.59 |

NOTE 9 : OTHER FINANCIAL ASSETS (NON CURRENT)

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (Unsecured, considered good) | | |
| Security deposits | 517.63 | 452.27 |
| Deposits with Banks: - held as margin money | 1.34 | 1.34 |
| Total | 518.97 | 453.61 |

NOTE 10 : DEFERRED TAX ASSETS

| Particulars | (Rs. in Lakhs) | |
|---------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Deferred tax assets | 1,367.82 | 783.19 |
| Total | 1,367.82 | 783.19 |

Movement of deferred tax assets

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Deferred tax assets in relation to | | |
| Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting purposes | (24.23) | (97.26) |
| Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis | 37.75 | 29.69 |
| Fair value gain/(loss) on financial instruments at fair value through statement of profit or loss (Net) | (9.03) | (2.36) |
| Remeasurements gain / (loss) of the net defined benefit plans | 11.62 | (0.53) |
| Lease Liabilities (Net) | (149.72) | 10.62 |
| Business loss | 815.33 | 233.46 |
| Others | 686.10 | 609.60 |
| Total | 1,367.82 | 783.19 |

NOTE 11 : NON CURRENT TAX ASSETS (NET)

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Advance income tax (net of provision of Rs. 13,963.88 Lakhs (March 31, 2022 Rs. 25,077.86 Lakhs)) | 1,238.76 | 893.34 |
| Total | 1,238.76 | 893.34 |



Shoefa Foam Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 12 : OTHER NON CURRENT ASSETS

| Particulars | (Rs. in Lakhs) | |
|------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (Unsecured, considered good) | | |
| Capital advances* | 3,357.30 | 2,485.15 |
| Prepaid rent | 38.48 | 38.82 |
| Loan and advances | 147.36 | 40.00 |
| Total | 3,543.14 | 2,563.97 |

*For value of contracts in capital account remaining to be executed (refer note no. 52)

NOTE 13 : INVENTORIES

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (Valued at lower of cost and net realisable value unless otherwise stated) | | |
| Raw materials | 17,906.82 | 16,417.46 |
| Raw materials (In transit) | 1,913.61 | 2,975.91 |
| Work-in-progress | 5,397.21 | 5,331.22 |
| Finished goods | 3,429.56 | 4,016.91 |
| Stock-in-trade | 2,590.31 | 840.21 |
| Packing materials | 593.20 | 839.91 |
| Packing materials (In transit) | 40.69 | 54.88 |
| Stores and spares | 1,236.80 | 938.29 |
| Stores & spares (In transit) | 24.49 | 31.10 |
| Total | 33,132.66 | 31,446.89 |

(i) Value of inventories above is net of provision for slow moving/ obsolete inventories amounting to Rs. 655.58 Lakhs (March 31, 2022: Rs. 126.98 Lakhs) for write-down to net realisable value and provision for slow-moving and obsolete items.

(ii) Inventories held by the group are subject to hypothecation by bankers towards working capital limits obtained by the group (refer note no. 54)

NOTE 14 : INVESTMENTS (CURRENT)

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| In Mutual Funds - fully paid up | | |
| Carried at fair value through profit and loss - Quoted | 71,188.46 | 8,913.05 |
| In Bonds & Debentures - fully paid up | | |
| Carried at amortised cost - Unquoted | 27.27 | 25.00 |
| Total Investments | 71,196.73 | 8,938.05 |
| Aggregate amount of Quoted Investments | 71,188.46 | 8,913.05 |
| Aggregate market value of Quoted Investments | 71,188.46 | 8,913.05 |
| Aggregate amount of Unquoted Investments | 27.27 | 25.00 |
| Aggregate amount of Impairment in value of Investment | - | - |

NOTE 15 : TRADE RECEIVABLES

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (At amortised cost) | | |
| Unsecured | | |
| Trade receivables - considered good (refer note below) | 28,197.60 | 26,939.30 |
| Trade receivables - considered doubtful | 2,553.65 | 800.02 |
| Trade receivables (gross) | 30,751.25 | 27,739.32 |
| Less: Impairment allowance for trade receivables considered doubtful | (2,553.65) | (800.02) |
| Total | 28,197.60 | 26,939.30 |

Note :

- a. No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person
b. Trade receivables are usually non-interest bearing and are on trade terms of 0 - 60 days
c. For trade receivables, the Group has applied the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

d. Movement in the expected credit loss allowance:

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Balance at the beginning of the year | 800.02 | 1,557.95 |
| Charge / (reversal) in allowance during the year (net) | 1,753.63 | (757.93) |
| Balance at the end of the year | 2,553.65 | 800.02 |

e. Refer note no. 50 for information about credit and market risk of trade receivables

f. Realization from trade receivables held by Group are subject to hypothecation by bankers towards working capital limits obtained by the Group



Sheela Foam Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023

g. Below is the ageing analysis of trade receivables

| As on March 31, 2023 | | (Rs. in Lakhs) | | | | | |
|--|-----------------|--|-------------------|---------------|--------------|-------------------|------------------|
| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | more than 3 years | |
| (i) Undisputed trade receivables | | | | | | | |
| - considered good | 9,819.90 | 18,164.40 | 114.68 | 71.44 | 5.84 | 21.34 | 28,197.60 |
| - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (ii) Disputed trade receivables | | | | | | | |
| - considered good | - | 284.62 | 463.80 | 701.93 | 83.86 | 1,019.54 | 2,563.65 |
| - which have significant increase in credit risk | - | - | - | - | - | - | - |
| Total | 9,819.90 | 18,448.92 | 578.48 | 773.37 | 89.70 | 1,040.88 | 30,751.25 |

| As on March 31, 2022 | | (Rs. in Lakhs) | | | | | |
|--|------------------|--|-------------------|---------------|---------------|-------------------|------------------|
| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | more than 3 years | |
| (i) Undisputed trade receivables | | | | | | | |
| - considered good | 14,289.28 | 12,407.13 | 190.67 | 17.59 | 2.97 | 28.86 | 26,936.80 |
| - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (ii) Disputed trade receivables | | | | | | | |
| - considered good | - | - | - | 2.80 | - | - | 2.80 |
| - which have significant increase in credit risk | - | 38.29 | 76.03 | 241.89 | 175.13 | 288.89 | 800.02 |
| Total | 14,289.28 | 12,445.42 | 266.70 | 262.27 | 178.10 | 297.55 | 27,739.32 |

NOTE 16 : CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Balance Sheet as follows:

| Particulars | (Rs. in Lakhs) | |
|--|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Balance with banks : | | |
| Current accounts | 4,072.18 | 3,126.46 |
| Fixed deposits account with an original maturity of less than three months | 141.78 | 933.87 |
| Cash on hand | 13.11 | 20.95 |
| Total | 4,227.05 | 4,981.28 |

Notes:
a. There are no restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior years.
b. Cash balances with bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of one to three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

NOTE 17 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| Particulars | (Rs. in Lakhs) | |
|--|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Deposits having original maturity more than 3 months but less than 12 months | 28.65 | 31.69 |
| Total | 28.65 | 31.69 |

Note:
Other bank balances represents fixed deposits with banks

NOTE 18 : LOANS (CURRENT)

| Particulars | (Rs. in Lakhs) | |
|------------------------------|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (Unsecured, considered good) | | |
| (At amortised cost) | | |
| Loans to employees | 67.05 | 57.36 |
| Inter-corporate deposits | - | 500.00 |
| Total | 67.05 | 557.36 |

Note:
In the above no loans or advances are granted to promoters, directors, KMPs and related parties

NOTE 19 : OTHER FINANCIAL ASSETS (CURRENT)

| Particulars | (Rs. in Lakhs) | |
|---|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Unsecured, considered good | | |
| Interest accrued but not due on deposits with Banks, bonds and debentures | 7.83 | 1,983.18 |
| Insurance claim receivable | 0.22 | 0.11 |
| Other Receivables | - | 6.00 |
| Roadmap incentive receivable | 14.71 | 1.59 |
| Other loans and advances (refer note below) | 77.22 | 643.35 |
| Total | 99.98 | 2,634.23 |

Note:
Other loans & advances comprise of advances to staff for expenses and advances to other parties etc.



Sheela Foam Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 20 : OTHER CURRENT ASSETS

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Unsecured, considered good | | |
| Advance to contractors/suppliers | 1,874.32 | 1,425.74 |
| Balances with Statutory/Government authorities: | | |
| - Excise & Custom | 250.80 | 13.58 |
| - GST | 2,804.17 | 1,046.54 |
| - VAT/Sales Tax | 488.11 | 742.08 |
| Prepaid expenses (refer note (a)) | 625.29 | 490.89 |
| Lease equalisation | 88.24 | 65.33 |
| Other loans and advances | 123.97 | 70.88 |
| Right to recover return goods (refer note (b)) | 146.12 | 165.14 |
| Total | 6,381.02 | 4,021.98 |

Notes:

- a. Prepaid expenses includes amount of Rs. 47 Lakhs towards amount available for set off in pursuant of sub-rule(3) of rule 7 of the Companies (Corporate social responsibility policy) rules, 2014 (refer note no. 58)
- b. In certain cases, the Company provides its customers right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled.
- The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, the Company recognises Liability for expected sales return, a receivables on expected sales return (and corresponding adjustment to change in inventory is also recognised for the receivables on expected sales return from a customer).



Sheela Foam Limited

Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 21 : EQUITY SHARE CAPITAL

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (a) Authorised share capital: | | |
| 20,00,00,000 fully paid equity shares of Rs. 5/- each (March 31, 2022 : 8,80,21,000 fully paid equity shares of Rs. 5/- each) | 10,000.00 | 4,401.05 |
| | <u>10,000.00</u> | <u>4,401.05</u> |
| Issued, subscribed & paid up share capital: | | |
| 9,75,65,616 fully paid equity shares of Rs. 5/- each (March 31, 2022 : 4,87,82,808 equity shares of Rs. 5/- each) | 4,878.28 | 2,439.14 |
| Total | <u>4,878.28</u> | <u>2,439.14</u> |

(b) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

| | As at March 31, 2023 | | As at March 31, 2022 | |
|---|-------------------------|-----------------|-------------------------|-----------------|
| | Number of shares | (Rs. in Lakhs) | Number of shares | (Rs. in Lakhs) |
| At the beginning of the year | 4,87,82,808 | 2,439.14 | 4,87,82,808 | 2,439.14 |
| Bonus shares issued during the year (refer note no 21(e)) | 4,87,82,808 | 2,439.14 | - | - |
| Outstanding at the end of the year | <u>9,75,65,616</u> | <u>4,878.28</u> | <u>4,87,82,808</u> | <u>2,439.14</u> |

c) Terms and rights attached to equity shares

The Holding Company has one class of equity shares having a par value of Rs. 5/- per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity Shareholders are eligible to receive the remaining assets of the Holding Company in proportion of their shareholding.

(d) Details of shareholders holding more than 5% shares in the Holding Company

| | As at March 31, 2023 | | As at March 31, 2022 | |
|---------------------------------|-------------------------|--------------|-------------------------|--------------|
| | Number of shares | % of holding | Number of shares | % of holding |
| Sh. Rahul Gautam | 1,24,18,970 | 12.73% | 62,09,485 | 12.73% |
| Smt. Namita Gautam | 1,14,31,758 | 11.72% | 57,15,879 | 11.72% |
| Sh. Tushaar Gautam | 3,41,72,628 | 35.03% | 1,70,86,314 | 35.03% |
| Rangoli Resorts Private Limited | 1,31,50,818 | 13.47% | 65,63,391 | 13.45% |
| SBI Magnum Midcap Fund | 84,70,282 | 8.68% | 43,84,301 | 8.99% |
| DSP Midcap Fund | 63,00,647 | 6.46% | 24,38,196 | 5.00% |
| Kotak Emerging Equity Scheme | 43,11,428 | 4.42% | 30,84,942 | 6.32% |

(e) Aggregate number and class of shares allotted as fully paid up by way of bonus shares

During the year 4,87,82,808 fully paid up equity shares of Rs. 5/- each, were allotted by way of bonus shares to all the shareholders in the ratio of 1:1.

(f) Shareholding of promoters and promoter group

| Shares held by promoters at the end of the year | As at March 31, 2023 | | | As at March 31, 2022 | | |
|---|-------------------------|---------------|-----------------------------|-------------------------|---------------|-----------------------------|
| | Number | % of holding | % Change during the year | Number | % of holding | % Change during the year |
| Promotor name | | | | | | |
| Sh. Rahul Gautam | 1,24,18,970 | 12.73% | - | 62,09,485 | 12.73% | - |
| Smt. Namita Gautam | 1,14,31,758 | 11.72% | - | 57,15,879 | 11.72% | - |
| Sh. Tushaar Gautam | 3,41,72,628 | 35.03% | - | 1,70,86,314 | 35.03% | - |
| Rangoli Resorts Private Limited | 1,31,50,818 | 13.47% | 0.02% | 65,63,391 | 13.45% | - |
| Core Mouldings Private Limited | - | - | -0.02% | 12,018 | 0.02% | - |
| Total | | 72.95% | | | 72.95% | |

(g) No class of shares have been issued as bonus shares or for consideration other than cash by the Holding Company during the period of five years immediately preceding the current year end. However, certain bonus shares has been issued during the year, refer (e) above.



Sheela Foam Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 22 : OTHER EQUITY

(Rs. in Lakhs)

| Particulars | As at | As at |
|---|--------------------|--------------------|
| | March 31, 2023 | March 31, 2022 |
| Capital reserve (refer note (a) below) | 67.05 | 395.62 |
| General reserve (refer note (b) below) | - | 1,716.27 |
| Retained earnings | 1,50,763.76 | 1,31,331.19 |
| Other comprehensive income | - | 423.97 |
| Cash flow hedge reserve (refer note (c) below) | (260.25) | - |
| Foreign currency translation reserve (refer note (d) below) | 4,526.94 | 2,879.66 |
| Capital Subsidy | 63.40 | 70.57 |
| Total | 1,55,160.90 | 1,36,817.46 |

| Particulars | As at | As at |
|---|--------------------|--------------------|
| | March 31, 2023 | March 31, 2022 |
| Capital reserve | | |
| Opening balance | 395.62 | 2,364.66 |
| Foreign exchange gain/(loss) on reserve | - | (1,968.96) |
| Bonus Share issued during the year | (328.57) | - |
| Closing balance | 67.05 | 395.62 |
| General Reserve | | |
| Opening balance | 1,716.27 | 1,716.27 |
| Bonus Share issued during the year | (1,716.27) | - |
| General Reserve | - | 1,716.27 |
| Retained earnings | | |
| Opening balance | 1,31,331.19 | 1,10,120.66 |
| Net profit for the year | 20,115.67 | 21,732.97 |
| Bonus shares issued during the year | (394.30) | - |
| Expenses towards increase in authorised capital | (50.39) | - |
| Dividend paid to non-controlling interest | (103.00) | (146.02) |
| Remeasurements of the net defined benefit plans (net of tax) | (135.57) | (377.42) |
| Other adjustments | 0.16 | 0.70 |
| Closing balance | 1,50,763.76 | 1,31,331.19 |
| Other Comprehensive Income | | |
| Opening balance | 423.97 | 181.59 |
| Fair value gain/(Loss) on debt instruments (Net of Tax) | - | 242.36 |
| Realised gain from debt instruments transferred to profit and loss (Net of Tax) | (423.97) | - |
| Closing balance | - | 423.97 |
| Cash flow hedge reserve | | |
| Opening balance | - | - |
| Loss on cash flow hedge reserve (net of tax) | (260.25) | - |
| Closing balance | (260.25) | - |
| Foreign currency translation reserve | | |
| Opening balance | 2,879.66 | 1,549.57 |
| Exchange gain on translation (net) during the year | 1,647.08 | 1,330.29 |
| Closing balance | 4,526.94 | 2,879.66 |
| Capital Subsidy | | |
| Opening balance | 70.57 | 56.98 |
| Receipts during the year | - | 13.59 |
| Amortizations/repayments | (7.17) | - |
| Closing balance | 63.40 | 70.57 |

Note:

(a) Capital reserve

During amalgamation of the subsidiaries in the year 2012-13, the excess of net assets taken, over the cost of consideration paid was treated as capital reserve. During the year, Holding Company had issued bonus share in the ratio of 1:1 out of capital reserve of Rs. 328.57 Lakhs.

(b) General reserve

The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. During the year, Company had issued bonus share in the ratio of 1:1 out of general reserve of Rs. 1,716.27 Lakhs.

(c) Cash flow hedge reserve

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated under the heading of cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss.

(d) Foreign currency translation reserve

The amount represents reserve arising from gain/loss on translation of the financial statements of foreign subsidiaries in the presentation currency of the Holding Company.



Sheela Foam Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 23 : NON CURRENT BORROWINGS

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Secured | | |
| Term loan from banks | | |
| - INR bank loan | 4,072.83 | 352.68 |
| - USD bank loan | 5,802.25 | 7,247.32 |
| - AUD Term Loan | 6,045.95 | 5,368.35 |
| - EURO Term Loan | 12,459.60 | 9,767.62 |
| | 28,380.63 | 22,735.97 |
| Unsecured | | |
| Loan from financial credit institutions | - | 82.21 |
| | - | 82.21 |
| Total | 28,380.63 | 22,818.18 |

Notes:

a. INR & USD Term loans Loan taken by International Comfort Technologies Private Limited have been taken from JP Morgan chase bank, N.A, India & Kotak Mahindra Bank respectively for purchase of capital equipments for its Nandigram & towards construction of Mandia (Jabalpur) manufacturing facilities and has been secured by hypothecation of first charge on entire fixed assets (Movable fixed assets and immovable fixed assets)

b. INR Term Loan taken by International Comfort Technologies Private Limited carries interest to be charged on loan linked to 1.37% over 3M T-Bill. Rates as applicable on the date of agreement shall be revised at interval of every 3 months. The loan is repayable in 16 equal installments with in 5 years of disbursement considering 1 year of moratorium period from the first disbursement.

c. USD Term Loan taken by International Comfort Technologies Private Limited carries interest of 2.25% p.a. and is repayable in 16 equal installments with in 5 years of disbursement considering 1 year of moratorium period from the first disbursement.

d. Euro Term Loan from CITI Bank is taken by International Foam Technologies Spain S.L based on Stand by Letter of Credit from Citi Bank, India secured by exclusive charge on certain fixed assets of the Holding Company.

The term loan carry the arithmetic sum of the reference interest rate viz. 3 month EURIBOR communicated by the bank for the period and accepted by the borrower. The principal amount of Loan will be repaid by the Company in 20 quarterly equaled installments as per predefined schedule and with first installment started from October, 2020 and last installment due in October, 2025.

e. AUD Term Loan from Citi Bank, Australia is taken by Joyce Foam PTY Limited secured by a first registered mortgage over the freehold property and by a fixed and floating charge over all the assets and undertaking of the consolidated group including plant & machinery. The term loans carry an interest rate which is aggregate of the applicable Margin and BBSY Bid communicated by the bank for the interest period and accepted by the borrower. The principal amount of the loan will be repaid in 60 monthly installments as per predefined schedule with the first installment started from July 2021 and the last installment due in June 2025. The facility agreement with Citi Bank requires the following covenants to be maintained at a group and a company level mention below:-

- i. Gross Leverage ratio (Group) less than 2.5
 - ii. Debt service coverage ratio (Group) greater than 1.4
 - iii. Debt to tangible Net Worth (Group) less than 2.0
 - iv. Fixed Asset Coverage Ratio (Company) greater than 1.25
- As at the end of the reporting period the above ratios has been complied with.

f. Purpose of loan and its utilization

| Particulars of loan | Purpose (as per Loan Agreement) | Whether used for the purpose stated in the loan Agreement | If no, mention the purpose for which it is utilised |
|----------------------------|--|---|---|
| JP Morgan (INR loan) | The facility shall be used by the borrower towards Capex at their new plants in Nandigram and Jabalpur. | Yes | Not Applicable |
| Kotak Mahindra (USD Loan) | For capex at Maneri, Medhi Niwas, Jabalpur, Madhya Pradesh and Nandigram, Indore, Madhya Pradesh, Gujarat. | Yes | Not Applicable |
| Citi Bank Loan (Euro Loan) | The purpose of the loan is the acquisition of the shares of the target company. | Yes | Not Applicable |
| Citi Bank Loan (AUD Loan) | The facility shall be used for capital expenditure for acquisition of Plant, Machinery and equipment. | Yes | Not Applicable |

g. Repayment schedule for secured loan taken during the year

| Particulars | Citi Bank Spain (AUD Loan) | Citi Bank Spain (EURO Loan) | JP Morgan (INR loan) | Kotak Mahindra (USD Loan) |
|---|----------------------------|-----------------------------|-----------------------------|---------------------------|
| Number of instalments due (Nos) | 39 | 10 | 16 | 16 |
| Frequency of Installments | Monthly | Quarterly | Quarterly | Quarterly |
| Rate of Interest (%) | BBSY+ Applicable Margin | 3 Month EURIBOR | 1.37% over 3M T- Bill rates | 2.25% |
| Within one year (Rs. in Lakhs) (refer note no. 29) | 1,886.50 | 5,960.88 | 1,357.61 | 1,934.08 |
| After one year but not more than 5 years (Rs. in Lakhs) | 6,045.95 | 12,459.60 | 4,072.83 | 5,802.25 |
| More than 5 years (Rs. in Lakhs) | - | - | - | - |

h. During Previous financial year Rs. 82.21 Lakhs obtained from various financials credit institutions. These unsecured loans carried interest rate 0.90%



Sheela Foam Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 24 : LEASE LIABILITIES

| Particulars | (Rs. in Lakhs) | |
|---------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Lease liabilities (refer note no. 47) | 10,347.47 | 12,870.97 |
| Total | 10,347.47 | 12,870.97 |
| Current | 1,598.40 | 2,306.18 |
| Non current | 8,749.07 | 10,564.79 |

NOTE 25 : OTHER NON CURRENT FINANCIAL LIABILITIES

| Particulars | (Rs. in Lakhs) | |
|--------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Deposits from dealers and others | 2,828.16 | 4,841.19 |
| Unearned Interest Income on Deposits | - | 66.00 |
| Unearned Rent Income | 20.00 | 26.69 |
| Others | 45.80 | - |
| Total | 2,893.96 | 5,034.08 |

NOTE 26 : PROVISIONS

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Long term provisions: | | |
| Provision for employee benefits: | | |
| -Compensated absences | 671.82 | 1,592.91 |
| -Gratuity | 149.04 | 101.37 |
| Other provisions: | | |
| -Provision for warranty (Refer note below) | 483.33 | 238.31 |
| Total | 1,304.19 | 1,932.59 |
| Short term provisions: | | |
| Provision for employee benefits: | | |
| -Compensated absences | 968.98 | 9.93 |
| -Gratuity | 441.90 | 605.18 |
| Other provisions: | | |
| -Provision for warranty (Refer note below) | 639.89 | 441.02 |
| Total | 2,050.75 | 1,056.13 |

Notes:

Provision for warranty:

Provision is recognised for expected warranty claims on mattresses sold, based on past experience of the level of returns and in accordance with the Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets". Assumptions used for the said provision are sales return trend based on past warranty sales. The table below gives information about movement in warranty provision:

| Particulars | (Rs. in Lakhs) | |
|---------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| At the beginning of the year | 679.33 | 622.07 |
| Add : Created during the year | 1,175.79 | 983.10 |
| Less : Utilised during the year | (731.90) | (925.84) |
| At the end of the year | 1,123.22 | 679.33 |

NOTE 27 : OTHER NON CURRENT LIABILITIES

| Particulars | (Rs. in Lakhs) | |
|------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Deferred capital grant | 19.85 | 22.70 |
| Total | 19.85 | 22.70 |

The table below gives information about movement in deferred capital grant:

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| At the beginning of the year | 25.52 | 28.36 |
| Less : Realised to statement of profit and loss | 2.83 | 2.84 |
| At the end of the year | 22.69 | 25.52 |
| Non Current | 19.85 | 22.70 |
| Current | 2.84 | 2.82 |



Sheela Foam Limited

Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 28 : DEFERRED TAX LIABILITIES

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Deferred tax liabilities | 831.89 | 966.99 |
| Total | 831.89 | 966.99 |
| Movement of deferred tax liabilities | | |
| (Rs. in Lakhs) | | |
| Particulars | As at March 31, 2023 | As at March 31, 2022 |
| Deferred tax liabilities in relation to | | |
| Impact of difference between tax depreciation and depreciation / amortization charged for financial reporting purposes | 586.13 | 322.72 |
| Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis | (109.58) | (289.83) |
| Fair value gain/(loss) on financial instruments at fair value through statement of profit or loss (Net) | 220.35 | 62.48 |
| Remeasurements gain / (loss) of the net defined benefit plans | (41.59) | - |
| MTM loss on forward currency swap contract | (420.32) | - |
| Lease Liabilities (Net) | 17.69 | 387.94 |
| Others | 579.01 | 483.68 |
| Total | 831.89 | 966.99 |

NOTE 29 : BORROWINGS (CURRENT)

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Secured | | |
| Term loan from banks | | |
| - INR bank loan | 1,357.61 | - |
| - USD bank loan | 1,934.08 | - |
| - AUD Term Loan | 1,886.50 | 1,337.17 |
| - EURO Term Loan | 5,960.88 | 2,800.61 |
| Working capital Loans from Banks (refer note (a)) | 1,925.80 | - |
| | 13,064.87 | 4,137.78 |
| Unsecured | | |
| Loan from financial credit institutions (refer note (b)) | 5,315.56 | 6,703.47 |
| Loan and advances from others (refer note (c)) | - | 116.07 |
| | 5,315.56 | 6,819.54 |
| Total | 18,380.43 | 10,957.32 |

Notes:

- The Joyce foam PTY Ltd., Australia has taken working capital facility to meet day to day funds requirement with interest rate for this facilities @ 5.64% approx. (refer note no. 54 for assets pledged as security)
- The Interplasp S.L, Spain has taken discounting and foreign trade facilities to meet day to day working capital requirement with interest rate for these facilities ranging from 0.80% to 1.10% (March 31, 2022 : 0.70% to 1.35%).
- Loan and advances from others carries interest charged equates to the lender's cost of borrowing plus a margin that does not exceed the cost charged by the Bank.

NOTE 30 : TRADE PAYABLES

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Trade payables other than acceptances: | | |
| (i) Total outstanding dues of micro enterprises and small enterprises (refer note no. 57) | 722.01 | 506.29 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 25,219.37 | 28,036.46 |
| Total | 25,941.38 | 28,542.75 |

Notes:

- Trade payables for micro and small enterprises are non interest bearing and are normally settled on 7 days to 30 days credit terms.
- Trade payables other than micro and small enterprises are non interest bearing and are normally settled on 60 days to 90 days credit terms.
- Ageing Analysis for Trade payables:

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|------------------|------------------|--------------|-------------|-------------------|------------------|
| | Unbilled Dues | Payables not due | Less than 1 year | 1-2 years | 2-3 years | more than 3 years | |
| (i) MSME | - | 719.70 | 2.31 | - | - | - | 722.01 |
| (ii) Others | 1,216.98 | 17,815.64 | 6,167.64 | 18.63 | 0.48 | - | 25,219.37 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total | 1,216.98 | 18,535.34 | 6,169.95 | 18.63 | 0.48 | - | 25,941.38 |



Sheela Foam Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023

| As on March 31, 2022 | | Outstanding for following periods from due date of payment | | | | | (Rs. in Lakhs) |
|-----------------------------|-----------------|--|------------------|-------------|-------------|-------------------|------------------|
| Particulars | Unbilled Dues | Payables not due | Less than 1 year | 1-2 years | 2-3 years | more than 3 years | Total |
| (i) MSME | - | 505.27 | 1.02 | - | - | - | 506.29 |
| (ii) Others | 4,864.84 | 17,542.08 | 5,624.77 | 0.68 | 3.49 | - | 28,038.46 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total | 4,864.84 | 18,047.95 | 5625.79 | 0.68 | 3.49 | - | 28,542.75 |

NOTE 31 : OTHER CURRENT FINANCIAL LIABILITIES

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Deposits from dealers and others | 6,283.61 | 3,996.74 |
| Book overdraft | - | 26.77 |
| Creditors for capital goods | 567.55 | 270.24 |
| Liability against foreign currency swap contracts | 2,268.27 | - |
| Interest accrued but not due on borrowings | 16.01 | - |
| Other liabilities | 8.17 | 37.99 |
| Unearned Interest Income | - | 63.99 |
| Unearned Rent Income | 6.89 | 6.87 |
| Total | 9,170.50 | 4,402.60 |

NOTE 32 : CURRENT TAX LIABILITIES (NET)

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Provision for income tax (Net of advance tax of Rs. 67 Lakhs) | 117.14 | - |
| Total | 117.14 | - |

NOTE 33 : OTHER CURRENT LIABILITIES

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Refund liabilities | 235.95 | 265.82 |
| Deferred capital grant (refer note (a)) | 2.84 | 2.82 |
| Contract liabilities (refer note (b)) | 3,774.66 | 3,538.82 |
| Statutory dues payable | 2,390.84 | 1,813.70 |
| Employees & other Liabilities (refer note (c)) | 4,672.01 | 2,081.86 |
| Total | 11,075.30 | 7,703.02 |

a) Refer note no. 27 for the movement in deferred capital grant.

b) Consists of advances received from customers towards supply of products.

c) Consists of liabilities pertaining to employees of Rs. 2,229.60 Lakhs (March 31, 2022 of Rs. 2,322.80 Lakhs)



Sheela Foam Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 34 : REVENUE FROM OPERATIONS

| Particulars | (Rs. in Lakhs) | |
|----------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Sale of products | 2,86,011.15 | 2,85,755.17 |
| Sale of services | 825.13 | 610.08 |
| | <u>2,86,836.28</u> | <u>2,86,365.25</u> |
| Other operating revenue | | |
| -Job Work Services | - | 4.25 |
| -Rudrapur scheme subsidy | 13.66 | 10.70 |
| -Income from sale of scrap | 482.13 | 177.64 |
| Total | <u>2,87,332.09</u> | <u>2,86,557.84</u> |

Reclassifications and comparative figures:-

Certain reclassifications have been made to the comparative year's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been reclassified in the statement of profit and loss, the details of which are as under:

Items of Statement of Profit and Loss before and after reclassification for the year ended March 31, 2022

| Particulars | (Rs. in Lakhs) | | |
|----------------------------|-----------------------------------|------------------|----------------------------------|
| | Amount before reclassification | Reclassification | Amount after reclassification |
| Revenue from operations | 2,98,180.84 | (11,823.00) | 2,86,557.84 |
| Cost of Materials Consumed | 1,79,850.03 | 3,475.00 | 1,83,325.03 |
| Employee benefits expense | 25,788.82 | (221.25) | 25,547.57 |
| Other Expenses | 50,462.64 | (14,878.75) | 35,583.89 |

NOTE 34.1 : DISAGGREGATED REVENUE INFORMATION

Set out below is the disaggregation of the Company's revenue from contracts with customers:

| Particular | (Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Geographical Revenue | | |
| Type of goods | | |
| Revenue from external customers | 2,86,011.15 | 2,85,755.17 |
| Total revenue from contracts with customers | | |
| India | 1,98,852.01 | 1,95,001.30 |
| Outside India | 87,159.14 | 90,753.87 |
| | <u>2,86,011.15</u> | <u>2,85,755.17</u> |
| Type of services (IT Support Services) | | |
| Revenue from external customers | 825.13 | 610.08 |
| Total revenue from contracts with customers | | |
| India | 450.15 | 297.64 |
| Outside India | 374.98 | 312.44 |
| | <u>825.13</u> | <u>610.08</u> |
| Total revenue from contracts with customers | <u>2,86,836.28</u> | <u>2,86,365.25</u> |

NOTE 34.2 : CONTRACT BALANCES

The following table provides information about receivables and contract liabilities from contract with customers.

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Contract Liabilities | | |
| Advance from customers (refer note no. 33) | 3,774.66 | 3,538.82 |
| Receivables | | |
| Trade Receivables (refer note no 15) | 28,187.60 | 28,939.30 |

Note:

Receivables is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customers in advance.

NOTE 34.3 : RECONCILING THE AMOUNT OF REVENUE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS WITH THE CONTRACTED PRICE

| Particulars | (Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Revenue as per contracted price (goods and services) | 3,07,616.84 | 3,03,349.28 |
| Less: Adjustments | | |
| Sales return | 1,118.38 | 1,260.72 |
| Rebate and discount | 19,662.18 | 15,723.31 |
| Revenue from contracts with customers | <u>2,86,836.28</u> | <u>2,86,365.25</u> |



Sheela Foam Limited

Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 34.4 : PERFORMANCE OBLIGATIONS

The performance obligation for sale of product is considered as fulfilled according to the terms agreed with the respective customer.
The performance obligation for sale of services is satisfied over the period of time as per contract with customers

NOTE 35 : OTHER INCOME

| Particulars | (Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Interest Income from: | | |
| Financial assets at amortised cost | | |
| Bank deposits | 16.01 | 7.67 |
| Inter-corporate-deposit | 28.48 | 45.00 |
| Currency Swap Forward contract | 335.17 | - |
| Security deposits | 2.23 | - |
| Others | 107.22 | 3.62 |
| Financial assets at fair value | | |
| Bonds | 2,646.85 | 3,713.11 |
| Unwinding of discount of deposits & lease receivable | 140.14 | - |
| Income tax refund | 176.37 | - |
| Other non operating Income | | |
| Rental income (refer note a) | 1,256.62 | 1,138.54 |
| Gain on sale/disposal of fixed assets | 48.72 | - |
| Liabilities/provisions no longer required written back | 12.15 | 59.43 |
| Income from sale of Investments | 1,868.80 | 1,228.48 |
| Fair valuation adjustments of Investments through profit and loss (refer note b) | 899.08 | 13.77 |
| Subsidy income | 2.84 | 2.84 |
| Grant income | 34.59 | 134.70 |
| Sale of non-processed scrap | 675.79 | 578.69 |
| Net gain on foreign currency transactions and translations | 187.91 | 749.67 |
| Other miscellaneous income | 211.15 | 240.80 |
| Total | 8,650.12 | 7,916.32 |

Note:

a. Includes rental income of Rs.216.63 lakhs (March 31,2022: Rs.214.73 lakhs) from Investment property (refer note no. 5).

b. FVTPL of Investments represent fair valuation changes in mutual funds which includes dividend declared and not distributed (distributed based on record dates) as at reporting dates which have not been recognised in financial statements.

NOTE 36 : COST OF MATERIALS CONSUMED

| Particulars | (Rs. In Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Raw material | | |
| Opening inventory | 19,393.37 | 16,296.05 |
| Add: Purchases | 1,59,835.62 | 1,83,309.17 |
| Less: Sales/adjustments | (4,255.46) | (4,445.35) |
| Less: Closing inventory (including goods in transit of Rs. 1,913.61 Lakhs (March 31, 2022: Rs. 2,975.91 Lakhs)) | (19,894.13) | (19,383.37) |
| Raw materials consumed | 1,54,079.40 | 1,75,766.50 |
| Packing Material | | |
| Opening inventory | 894.79 | 848.24 |
| Add: Purchases | 8,018.11 | 8,570.16 |
| Less: Sales/adjustments | (527.99) | (785.08) |
| Less: Closing inventory (including goods in transit of Rs. 40.88 Lakhs (March 31, 2022: Rs. 54.88 Lakhs)) | (833.88) | (894.79) |
| Packing materials consumed | 7,781.03 | 7,558.53 |
| Cost of materials consumed | 1,61,830.43 | 1,83,325.03 |

NOTE 37 : PURCHASE OF STOCK-IN-TRADE

| Particulars | (Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Traded Goods -Bed sheets/comforters/PU foam/spring/coir mattresses | 18,063.14 | 5,353.84 |
| Total | 18,063.14 | 5,353.84 |



Sheela Foam Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 38 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

| (Rs. in Lakhs) | | |
|--|--------------------------------------|--------------------------------------|
| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Closing stock: | | |
| Finished Goods | 3,429.56 | 4,016.91 |
| Stock in trade | 2,590.31 | 840.21 |
| Work-in-progress | 5,397.21 | 5,331.22 |
| Right to recover return goods | 146.12 | 186.14 |
| | <u>11,563.20</u> | <u>10,354.48</u> |
| Opening stock: | | |
| Finished Goods | 4,016.91 | 3,017.25 |
| Stock in trade | 840.21 | 138.23 |
| Work-in-progress | 5,331.22 | 6,221.22 |
| Right to recover return goods | 186.14 | - |
| | <u>10,354.48</u> | <u>9,376.70</u> |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | (1,208.72) | (977.78) |

NOTE 39 : OTHER MANUFACTURING EXPENSES

| (Rs. in Lakhs) | | |
|------------------------------|--------------------------------------|--------------------------------------|
| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Power and fuel | 1,731.44 | 1,568.18 |
| Repair and maintenance: | | |
| - Buildings | 241.33 | 173.56 |
| - Plant and equipment | 2,139.02 | 1,900.41 |
| Processing and other charges | 2,652.94 | 2,586.54 |
| Total | 6,764.73 | 6,228.69 |

NOTE 40 : EMPLOYEE BENEFITS EXPENSE

| (Rs. in Lakhs) | | |
|--|--------------------------------------|--------------------------------------|
| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Salaries, wages, allowance, and other benefits | 24,839.81 | 22,702.21 |
| Contribution to gratuity (refer note no. 45) | 307.94 | 185.39 |
| Contribution to provident and other funds | 1,502.64 | 1,405.60 |
| Workmen and staff welfare expenses | 1,325.48 | 1,254.37 |
| | <u>27,975.87</u> | <u>25,547.57</u> |
| Less: Transfer to Capital work-in-progress / Capitalised | 80.54 | - |
| Total | 27,895.33 | 25,547.57 |

NOTE 41 : FINANCE COSTS

| (Rs. in Lakhs) | | |
|--|--------------------------------------|--------------------------------------|
| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Interest expense: (on financial liabilities measured at amortised cost) | | |
| -On borrowings from banks | 1,171.85 | 287.91 |
| - Security deposits | 526.92 | 523.06 |
| -On lease liabilities | 484.48 | 557.25 |
| -Others | 111.58 | 131.88 |
| Bank Charges | 87.16 | 189.44 |
| | <u>2,381.99</u> | <u>1,709.34</u> |
| Less: Transfer to Capital work-in-progress / Capitalised | 254.92 | 12.03 |
| Total | 2,127.07 | 1,697.31 |

NOTE 42 : DEPRECIATION AND AMORTISATION EXPENSE

| (Rs. in Lakhs) | | |
|--|--------------------------------------|--------------------------------------|
| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Depreciation of property, plant and equipment (refer note no. 3) | 5,750.35 | 4,835.17 |
| Depreciation on right-of-use assets (refer note no. 4) | 2,932.19 | 2,954.06 |
| Amortisation of intangible assets (refer note no. 5) | 1.59 | 0.14 |
| Depreciation on investment property (refer note no. 6) | 278.30 | 288.36 |
| Total | 8,962.43 | 8,077.73 |



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NOTE 43 : OTHER EXPENSES

| Particulars | (Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Freight and forwarding | 13,680.00 | 12,900.42 |
| Rent and hire | 833.94 | 620.70 |
| Insurance | 1,537.60 | 1,247.87 |
| Rates and taxes | 417.44 | 358.72 |
| Legal and professional | 1,616.89 | 1,393.48 |
| Other Maintenance | 1,329.29 | 1,007.08 |
| Selling and promotion | 7,639.87 | 4,301.99 |
| Travelling and conveyance | 1,743.28 | 957.73 |
| Advertisement | 7,452.27 | 7,044.42 |
| Warranty | 1,175.79 | 970.42 |
| Net Loss on Foreign Currency Forward Contracts | 1,322.29 | - |
| Contribution towards corporate social responsibility expenditure (refer note no. 58) | 478.02 | 457.53 |
| Net loss on foreign currency transactions and translations | 441.08 | 256.93 |
| IT Support services | 218.13 | 221.25 |
| Bad debts | 510.60 | 15.18 |
| Provision for Bad debts | 360.20 | 5.07 |
| Advances/Balances written off | - | 34.18 |
| Fair value loss for investments designated through profit and loss | - | 382.97 |
| Loss on sale/disposal of fixed assets | - | 28.18 |
| Miscellaneous | 3,695.10 | 3,494.52 |
| | <u>44,429.81</u> | <u>35,896.80</u> |
| Less: Transfer to Capital work-in-progress / Capitalised | 190.29 | 110.71 |
| Total | 44,239.62 | 35,586.09 |

NOTE 43.1 : AUDITOR'S REMUNERATION INCLUDED IN LEGAL AND PROFESSIONAL (EXCLUDING GST)

| Particulars | (Rs. in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Statutory audit (including limited review)* | 38.00 | 41.00 |
| Certification* | 2.75 | 2.00 |
| Out of pocket expenses* | 1.95 | 1.00 |
| Total | 42.70 | 44.00 |

*Includes Rs. Nil (March 31, 2022 : Rs.5.43 Lakhs) paid to erstwhile auditors.

NOTE 44. EARNINGS PER SHARE

| Particulars | (Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Profit for the year attributable to Equity shareholders | 20,306.22 | 21,872.80 |
| Earnings used in the calculation of basic earnings per share | 20,306.22 | 21,872.80 |
| Earnings used in the calculation of diluted earnings per share | 20,306.22 | 21,872.80 |

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| | (Numbers in Lakhs) | (Numbers in Lakhs) |
| Weighted average number of equity shares for the purposes of basic and diluted earnings per share | 975.66 | 975.66 |

The EPS for year ended March 31, 2022 has been adjusted on account of bonus issue made during the year ended March 31, 2023, by Holding Company as required by "Ind AS 33 -Earnings per Share".

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| | (Rs. per share) | (Rs. per share) |
| Basic and diluted earnings per share | 20.81 | 22.42 |



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NOTE 45 : EMPLOYEE BENEFITS (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

A. Defined contribution plans

Employees are covered by Provident Fund and Employees State Insurance Scheme/Fund and National Pension Scheme, to which companies makes a defined contribution measured as a fixed percentage of salary. During the year, amount of Rs. 774.14 Lakhs (March 31, 2022 : Rs. 696.42 Lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

| Particulars | (Rs. in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Employer's contribution towards Provident Fund(PF) | 681.82 | 605.11 |
| Employer's contribution towards Employees State Insurance (ESI) | 47.61 | 56.49 |
| Employer's contribution towards National Pension Scheme (NPS) | 44.61 | 34.82 |
| Total (Refer note no. 40) | 774.14 | 696.42 |

B. Long Term Benefit

Long service award

Payable to the eligible employees as retention earned leave, after completion of service of five years, which can be en-cashed or accumulated till retirement. During the year the Group had discontinued this policy. An amount of Rs. Nil (March 31, 2022 : Rs. 146.01 Lakhs) has been charged to the Statement of Profit and Loss towards the said benefit.

C. Post employment benefits

Defined benefit plans

Gratuity

The employees' gratuity fund scheme, which is a defined benefit plan, is managed by a trust with effect from 2019 and is being maintained by SFL Employees gratuity trust. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure on 15 days of last drawn salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

This plan is governed by the Payment of Gratuity Act 1972, which requires that each employee who has completed 5 years of service shall be entitled to gratuity which is equal to salary of 15 days for each completed year of service.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Discount rate | 7.36% | 7.51% |
| Future salary increase/salary escalation | 7.00% | 7.00% |
| Retirement age (years) | 60 | 60 |
| Mortality Tables | | |
| Employee turnover | | |
| 18 to 30 years | 3.40% | 3.00% |
| From 31 to 45 years | 3.70% | 2.00% |
| Above 45 years | 0.60% | 1.00% |

Notes:

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- Information given for retirement age is based on India's standard mortality table with modification to reflect expected changes in mortality/ others.

Quantitative sensitivity analysis for significant assumptions as at March 31, 2023 is shown below:

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

| Particulars | (Rs. in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Increase / (decrease) on present value of defined benefits obligations at the end of the year | | |
| Discount rate | | |
| Increase by 1.00% | (316.43) | (284.20) |
| Decrease by 1.00% | 360.67 | 331.38 |
| Salary increase | | |
| Increase by 1.00% | 358.37 | 329.76 |
| Decrease by 1.00% | (320.17) | (288.20) |



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The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss, Other Comprehensive Income and the funded status and amounts recognised in the Balance Sheet for the gratuity plan. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

Expense recognised in Statement of Profit and Loss and Other Comprehensive Income:

| Particulars | (Rs. in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Service cost: | | |
| Current service cost | 241.43 | 178.11 |
| Net interest expense | 86.51 | 7.28 |
| Components of defined benefit costs recognised in profit or loss | 307.94 | 185.39 |
| Remeasurement on the net defined benefit liability: | | |
| Actuarial (gains) / losses arising from changes in financial assumptions | 52.63 | 431.36 |
| Actuarial (gains) / losses arising from changes in demographic assumptions | 1.35 | - |
| Actuarial (gains) / losses arising from experience adjustments | 148.43 | (11.05) |
| Return on Plan Asset | (21.24) | 5.37 |
| Components of defined benefit costs recognised in other comprehensive income | 181.17 | 425.68 |
| Total | 489.11 | 611.07 |

The current service cost and the net interest expense for the year are included in the 'Employee benefit expenses' line item in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

| Particulars | (Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Present value of funded defined benefit obligation | 3,060.57 | 2,545.11 |
| Fair value of plan assets | (2,469.63) | (1,838.56) |
| Net liability arising from defined benefit obligation | 590.94 | 706.55 |
| Refer Note no. 26 | | |

Movements in the present value of the defined benefit obligation are as follows:

| Particulars | (Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Opening defined benefit obligation | 2,545.11 | 1,874.96 |
| Current service cost | 241.43 | 178.11 |
| Interest cost | 191.14 | 132.73 |
| Remeasurement (gains)/losses: | | |
| Actuarial (gains) / losses arising from changes in financial assumptions | 52.63 | 433.18 |
| Actuarial (gains) / losses arising from changes in demographic assumptions | 1.35 | (12.87) |
| Actuarial (gains) / losses arising from experience adjustments | 148.43 | 18.42 |
| Benefits paid | (119.52) | (79.42) |
| Closing defined benefit obligation | 3,060.57 | 2,545.11 |

Change in plan assets are as follows:

| Particulars | (Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Opening fair value of plan assets | 1,838.56 | 1,850.54 |
| Return on plan assets | 124.63 | 125.48 |
| Employer contribution | 603.04 | 5.00 |
| Actuarial (Gain)/Loss on Asset | 21.24 | 5.37 |
| Benefits paid | (117.84) | (147.81) |
| Closing fair value of plan assets | 2,469.63 | 1,838.56 |



Sheela Foam Limited

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The major categories of plan assets:

| Particulars | (Rs. in Lakhs) | |
|--------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Insurance products | 2,469.63 | 1,838.58 |
| Total | 2,469.63 | 1,838.58 |

Maturity profile of gratuity liability is as follows:

| Year | (Rs. in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| 0 to 1 year | 127.79 | 54.03 |
| 1 to 2 Year | 108.36 | 45.55 |
| 2 to 3 Year | 135.86 | 57.27 |
| 3 to 4 Year | 159.19 | 117.36 |
| 4 to 5 Year | 128.66 | 154.36 |
| 5 Year onwards | 2,400.71 | 2,116.54 |
| Expected contribution to the fund in next year. | 688.52 | 823.87 |

Risk exposure

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

a. Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yields. If plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk. A portion of the funds are invested in equity securities. The group has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The group intends to maintain the above investment mix in the continuing years.

b. Changes in discount rate:

A decrease in discount rate will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' assets holdings.

c. Inflation risks

Gratuity payments are not linked to inflation, so this is a less material risk.

The Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The group has not changed the processes used to manage its risks from previous periods. The group uses derivatives to manage some of its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets consists of unit linked group insurance plan which further invests in government and corporate bonds, equities, money market instruments & public deposits. The plan asset mix is in compliance with the requirements of the respective local regulations.



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Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 46 : RELATED PARTY TRANSACTIONS

(A) Names of related parties and nature of relationship are given below :

| Relationship | Name of the party |
|--|--|
| a. Enterprises exercising control (Parent Company) | Sheela Foam Limited |
| b. Entities in which Key Management Personnel or their Relatives have significance influence | Rangoli Resorts Private Limited Core Moulding Private Limited (Merged with Rangoli Resorts Private Limited w.e.f 30.03.2022) Sleepwell Foundation (Trust) |
| c. Key management personnel (Executive Directors) | Mr. Rahul Gaulam Mrs. Namita Gaulam Mr. Tushaar Gaulam Mr. Rakesh Chahar Mr. Kevin Graham Mr. Rajiv Dhar Mr. D. Alejandro Juan Palao Serrano |

(B) Disclosure of transactions between the Group and related parties during the year:

| Particulars | (Rs. in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| (i) Sale of material/ capital goods | | |
| Related entities | | |
| Sleepwell Foundation (Trust) | 0.18 | 0.36 |
| | <u>0.18</u> | <u>0.36</u> |
| (ii) Key management personnel | | |
| Compensation of Key management personnel | | |
| Short-term Employee Benefits | 1,431.86 | 1,419.73 |
| Post Employment Benefits | 25.19 | 13.56 |
| | <u>1,457.05</u> | <u>1,433.29</u> |
| (iii) Contributions for CSR expenses | | |
| Sleepwell Foundation (Trust) | 275.00 | 315.00 |
| | <u>275.00</u> | <u>315.00</u> |

(C) Disclosure of balances outstanding at the end of the reporting year:

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Post employee benefit plan for the benefited employees | | |
| SFL Employee Gratuity Trust | 439.04 | 603.04 |
| Payable to key managerial personnel | 693.06 | 749.02 |



Sheela Foam Limited

Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 47 : DISCLOSURES AS PER IND AS 116 'LEASES'

(A) Group as lessee

(i) The Group's significant leasing arrangements are in respect of the following assets:

The Group has lease of land and buildings for offices, warehouses and service centres. Right of Use Assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The lease terms for leasehold buildings ranges between 3 years to 10 years.

(ii) The carrying amounts of lease liabilities and the movements during the year:

| Particulars | (Rs. in Lakhs) | |
|--------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Opening Liabilities | 12,870.97 | 12,880.24 |
| Additions | 40.54 | 2,490.89 |
| Accretion of interest | 464.48 | 557.25 |
| Repayment of Lease liabilities | (2,821.38) | (2,445.30) |
| Cancellation / adjustments | (207.14) | (582.21) |
| Closing liabilities | <u>10,347.47</u> | <u>12,870.97</u> |
| Current | 1,598.40 | 2,308.18 |
| Non current | 8,749.07 | 10,564.79 |
| | <u>10,347.47</u> | <u>12,870.97</u> |

(iii) Maturity analysis of the lease liabilities:

| Contractual undiscounted cash flows | (Rs. in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| 3 months or less | 554.21 | 765.50 |
| 3-12 months | 1,459.26 | 2,380.51 |
| 1-2 years | 1,575.74 | 2,335.75 |
| 2-5 years | 3,066.61 | 4,406.38 |
| More than 5 years | 7,568.82 | 7,906.67 |
| Total undiscounted lease liability | <u>14,244.66</u> | <u>17,784.81</u> |
| Less: Impact of discounting and other adjustments | <u>3,897.19</u> | <u>4,923.84</u> |
| Lease liabilities | <u>10,347.47</u> | <u>12,870.97</u> |

(iv) The following are the amounts recognised in the Statement of Profit and Loss:

| Particulars | (Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Finance cost | 464.48 | 557.25 |
| Depreciation and amortisation expense | 2,932.19 | 2,954.08 |
| Expenses relating to short term leases | 833.94 | 620.70 |

(v) The following are the amounts disclosed in the Statement of Cash Flows:

| Particulars | (Rs. in Lakhs) | |
|--------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Cash outflow from leases | 2,821.38 | 2,445.30 |

(vi) There are no variable lease payments considered in the initial measurement of the lease liability and asset.

(vii) Extension and termination options held are exercisable based on mutual agreement of the Company and the lessors.



Sheela Foam Limited

Notes forming part of the consolidated financial statements for the year ended March 31, 2023

(B) Group as lessor

The Group has entered into lease agreements to lease the following properties which have been treated as "Investment Property".

| | |
|--|--|
| Land & Factory Building situated at Sikkim | The lease agreement was executed on 1st December, 2018. The said lease is for a term of 10 years with a clause to enable upward revision of the rental charge after every 3 years. The total rent recognized as income during the year is Rs. 160.60 lakhs (March 31, 2022: Rs. 158.40 lakhs). |
| Residential Flat situated at Greater Noida | The lease agreement was executed w.e.f. 15th September, 2018. The said lease was initially for a term of 11 months with a clause of subsequent renewal by mutual consent and the same being ongoing renewed. The total rent recognized as income during the year is Rs. 8.52 lakhs (March 31, 2022: Rs. 7.20 lakhs). |
| Land & Factory Building situated at Silvassa | The lease agreement was executed w.e.f. 31st August, 2020. The said lease is for an initial period of 3 years with a clause of automatic renewal for year-on-year basis until receive termination from party. Lease rent will be increased by 5% if both parties agreed on year-on-year basis. The total rent recognized as income during the year is Rs. 47.51 lakhs (March 31, 2022: 49.13 lakhs). |



Sheela Foam Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 48 : FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- 1 The Group has disclosed financial instruments such as trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.
- 2 Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

NOTE 49 : FAIR VALUE HIERARCHY

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.
- Level 2 - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in preference shares, other investments, loans receivables and lease receivables included in level 3.

Valuation Processes

The finance department of the group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the group chief financial officer (CFO) including board of directors. Discussions of valuation processes and results are held between the CFO and the valuation team every month. The Company takes the help of independent valuers for valuation purposes.

Fair Valuation Technique

The carrying amounts of trade receivables, trade payables, creditors towards capital goods, cash and cash equivalents, investment in pref. share, other investment and other bank balances are considered to be the same as their fair values, due to their short-term nature.

The fair values financial assets and liabilities consisting of loans receivable, lease receivable, lease liabilities, security deposits receivable and security deposit payable were calculated based on cash flows discounted using estimated borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2023:

| Particulars | Date of Valuation | Total | Fair value measurement using | | |
|---|-------------------|----------------|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| (Rs. in Lakhs) | | | | | |
| Financial Assets measured at fair value through profit and loss | | | | | |
| Other Investments | March 31, 2023 | 76,609.40 | 71,168.46 | 5,640.94 | - |
| Financial Assets measured at fair value through other comprehensive income | | | | | |
| Other Investments | March 31, 2023 | - | - | - | - |
| Financial Assets measured at amortized cost | | | | | |
| Other Investments | March 31, 2023 | 27.62 | - | - | 27.62 |
| Loans | March 31, 2023 | 260.96 | - | - | 260.96 |
| Trade receivables | March 31, 2023 | 28,197.60 | - | - | 28,197.60 |
| Cash and cash equivalents | March 31, 2023 | 4,227.05 | - | - | 4,227.05 |
| Bank balances other than cash and cash equivalents | March 31, 2023 | 26.65 | - | - | 26.65 |
| Other financial assets | March 31, 2023 | 618.95 | - | - | 618.95 |
| (Rs. in Lakhs) | | | | | |
| Particulars | | March 31, 2023 | | March 31, 2022 | |
| Assets for which Fair Values are disclosed: | | | | | |
| Investment Property | | 11,431.96 | | 10,857.04 | |



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Notes forming part of the consolidated financial statements for the year ended March 31, 2023

| Fair Value measurement hierarchy of Liabilities: | | (Rs. in Lakhs) | | | |
|---|-------------------|----------------|---|---|---|
| Particulars | Date of Valuation | Total | Fair value measurement using | | |
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial liabilities measured at amortized cost | | | | | |
| Borrowings | March 31, 2023 | 46,761.06 | - | - | 46,761.06 |
| Lease liabilities | March 31, 2023 | 10,347.47 | - | - | 10,347.47 |
| Trade payables | March 31, 2023 | 25,941.36 | - | - | 25,941.36 |
| Other financial liabilities | March 31, 2023 | 11,764.46 | - | - | 11,764.46 |

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2022:

| Fair Value measurement hierarchy of Assets: | | (Rs. in Lakhs) | | | |
|---|-------------------|----------------|---|---|---|
| Particulars | Date of Valuation | Total | Fair value measurement using | | |
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial Assets measured at fair value through profit and loss | | | | | |
| Other Investments | March 31, 2022 | 13,919.85 | 8,913.05 | 5,006.80 | - |
| Financial Assets measured at fair value through other comprehensive income | | | | | |
| Other Investments | March 31, 2022 | 47,876.02 | - | 47,876.02 | - |
| Financial Assets measured at amortized cost | | | | | |
| Other Investments | March 31, 2022 | 25.35 | - | - | 25.35 |
| Loans | March 31, 2022 | 564.95 | - | - | 564.95 |
| Trade receivables | March 31, 2022 | 26,939.30 | - | - | 26,939.30 |
| Cash and cash equivalents | March 31, 2022 | 4,081.28 | - | - | 4,081.28 |
| Bank balances other than cash and cash equivalents | March 31, 2022 | 31.58 | - | - | 31.58 |
| Other financial assets | March 31, 2022 | 3,087.84 | - | - | 3,087.84 |

| Fair Value measurement hierarchy of Liabilities: | | (Rs. in Lakhs) | | | |
|---|-------------------|----------------|---|---|---|
| Particulars | Date of Valuation | Total | Fair value measurement using | | |
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial liabilities measured at amortized cost | | | | | |
| Borrowings | March 31, 2022 | 33,775.50 | - | - | 33,775.50 |
| Lease liabilities | March 31, 2022 | 12,870.97 | - | - | 12,870.97 |
| Trade payables | March 31, 2022 | 28,542.75 | - | - | 28,542.75 |
| Other financial liabilities | March 31, 2022 | 9,436.68 | - | - | 9,436.68 |

NOTE 50 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprises of Borrowings, Lease Liabilities, deposits from dealers, trade and other payables. The main purpose of these financial liabilities is to finance The Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group is exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for The Group are accountable to the Board of Directors and Audit Committee. This process provides assurance to group's senior management that The Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with group policies and group risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include deposits from dealers, investments and foreign currency receivables and payables.



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Notes forming part of the consolidated financial statements for the year ended March 31, 2023

The sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2023 and March 31, 2022.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. The Group is exposed to foreign currencies such as "USD", "AED", "GBP", "NZD" and "EURO".

The carrying amount of the foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

| Particulars | Currency | (Rs. in Lakhs) | |
|-----------------------------------|----------|-------------------------|-------------------------|
| | | As at March 31, 2023 | As at March 31, 2022 |
| Financial assets: | | | |
| Trade receivables | USD | 817.82 | 778.46 |
| Trade receivables | AED | 205.88 | - |
| Bank balances | | | |
| Bank balances | AED | - | 0.11 |
| Bank balances | USD | - | 268.87 |
| Financial liabilities: | | | |
| Trade payables | USD | (2,358.02) | (2,030.66) |
| Trade payables | EURO | (33.08) | (79.48) |
| Trade payables | GBP | (20.00) | (19.28) |
| Trade payables | NZD | - | (127.14) |
| Creditors for Capital Goods | EURO | (68.44) | - |
| Term Loan | USD | (7,736.33) | (7,247.32) |
| Net assets / (liabilities) | | (9,183.17) | (8,456.44) |

Foreign currency sensitivity analysis

The Group is mainly exposed to USD, EURO, GBP, AUD, AED and NZD. The following table demonstrate the sensitivity to a reasonably possible change in respective exchange rates, with all other variables held constant.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for sensitivity change in foreign currency rates. A positive number below indicates an increase in profit or equity and vice-versa.

Foreign currency sensitivity

| Currency | % | (Rs. in Lakhs) | |
|----------|-----|-------------------------|-------------------------|
| | | As at March 31, 2023 | As at March 31, 2022 |
| USD | 2% | (185.53) | (164.61) |
| USD | -2% | 185.53 | 164.61 |
| EURO | 3% | (2.78) | (2.38) |
| EURO | -3% | 2.78 | 2.38 |
| GBP | 2% | (0.40) | (0.39) |
| GBP | -2% | 0.40 | 0.39 |
| NZD | 5% | - | (6.36) |
| NZD | -5% | - | 6.36 |
| AED | 2% | 4.12 | - |
| AED | -2% | (4.12) | - |

(ii) Interest risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Group's financial liabilities comprises mainly of interest-bearing project term loans. However these are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

(iii) Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of bedding articles, home comfort products, furniture cushioning and specialized foam and therefore require a continuous supply of raw materials i.e. TDI and Polyol being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the TDI and Polyol, The Group has entered into various purchase contracts for these material for which there is an active market. The Group's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Group partly mitigated the risk of price volatility by entering into the contract for the purchase of these material and further The Group increases prices of its products as and when appropriate to minimize the impact of increase in raw material prices.



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b) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

(i) Trade receivables

Customer credit risk is managed by the Group through its established policies and procedures which involve setting up credit limits based on credit profiling of individual customers, credit approvals for enhancement of limits and regular monitoring of important developments viz payment history, change in credit limits, regulatory changes, industry outlook etc. Outstanding receivables are regularly monitored and an impairment analysis is performed at each reporting date on an individual basis for each major customer. In accordance with Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or reversal thereof. Concentration of credit risk with respect to trade receivables are limited, due to Group's customer base being large and diverse. All trade receivables are reviewed and assessed for default on monthly basis.

(ii) Financial Instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy. Surplus funds are invested in bank deposits, bonds, debentures and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 and March 31, 2022 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Group.

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Non-current assets | | |
| - Investments | 5,641.29 | 52,883.17 |
| - Loans | 193.91 | 7.59 |
| - Other financial assets | 518.97 | 453.61 |
| Current assets | | |
| - Investments | 71,195.73 | 8,938.05 |
| - Trade receivables | 28,197.60 | 28,939.30 |
| - Cash and cash equivalents | 4,227.05 | 4,081.28 |
| - Bank balances other than cash and cash equivalents | 25.65 | 31.58 |
| - Loans | 57.05 | 557.36 |
| - Other financial assets | 99.98 | 2,634.23 |
| Total | 1,10,188.23 | 88,526.17 |

(c) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short-term bank deposits, short term investments and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group assessed the concentration of risk with respect to its debt and concluded it to be very low.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

| Particulars | (Rs. in Lakhs) | | |
|-----------------------------|------------------|------------------|------------------|
| | Less than 1 Year | More than 1 Year | Total |
| As at March 31, 2023 | | | |
| Trade payables | 25,922.27 | 19.11 | 25,941.38 |
| Other financial liabilities | 9,170.50 | 2,593.96 | 11,764.46 |
| Borrowings | 18,300.43 | 28,380.63 | 46,781.06 |
| Lease Liability | 1,598.40 | 8,749.07 | 10,347.47 |
| | 55,071.60 | 39,742.77 | 94,814.37 |
| As at March 31, 2022 | | | |
| Trade payables | 28,538.58 | 4.17 | 28,542.75 |
| Other financial liabilities | 4,402.60 | 5,034.08 | 9,436.68 |
| Borrowings | 10,957.32 | 22,818.18 | 33,775.50 |
| Lease Liability | 2,306.18 | 10,564.79 | 12,870.97 |
| | 46,204.68 | 38,421.22 | 84,625.90 |



Sheela Foam Limited

Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 51: CAPITAL MANAGEMENT

The Group's objective in managing its capital is to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The group considers the following components of its Balance Sheet to manage capital:

1) Share Capital and 2) Other Reserves comprising of General Reserve and Retained Earnings. The Group capital structure is based on the Management's assessment of the balances of key elements to ensure strategic decisions and day to day activities.

| Particulars | (Rs. in Lakhs, unless otherwise stated) | |
|-------------------------------------|---|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Equity | 4,979.28 | 2,439.14 |
| Other Equity | 1,55,987.36 | 1,37,580.81 |
| Total equity | 1,60,966.64 | 1,40,019.95 |
| Borrowings (i) | 46,761.08 | 33,775.50 |
| Less: cash and cash equivalents | 4,227.05 | 4,081.28 |
| Total debt | 42,534.01 | 29,694.22 |
| Overall financing (ii) = (i) + (II) | 2,03,399.85 | 1,69,714.17 |
| Gearing ratio (in %) (ii) / (iii) | 21% | 17% |

The Holding Company has not distributed any dividend to its shareholders. The Group monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. The capital structure of the Group is managed with a view of the overall macro economic conditions and the risk characteristics of the underlying assets. The Group's policy is to maintain a strong capital structure with a focus to mitigate all existing and potential risks to the Group, maintain shareholder, vendor and market confidence and sustain continuous growth and development of the Group. The Group's focus is on keeping a strong total equity base to ensure independence, security, as well as High financial flexibility without impacting the risk profile of the Group. In order, to maintain or adjust the capital structure, the Group will take appropriate steps as may be necessary.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.



Sheela Foam Limited

Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 52 : COMMITMENTS FOR EXPENDITURE

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of Rs. 3,357.30 Lakhs (March 31, 2022: Rs. 2,485.15 Lakhs)) | 6,538.31 | 7,313.94 |
| | <u>6,538.31</u> | <u>7,313.94</u> |

NOTE 53 : CONTINGENT LIABILITIES

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Claims against the holding company not acknowledged as debt (refer note below) | | |
| Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards | | |
| - Sales tax | 438.99 | 480.99 |
| - Entry tax | 194.11 | 194.11 |
| - Income tax | 564.90 | 439.12 |
| - Excise Duty | 410.57 | 410.57 |

Note:

The Group is contesting these demands and the management including its advisers are of the view that these demands may not be sustainable at the appellate level. The management believes that the ultimate outcome of these proceedings will not have any material adverse effect on the holding company's financial position and results of operations. The Holding Company does not expect any reimbursement in respect of these contingent liabilities, and it is not practicable to estimate the timing of cash outflows, if any, in respect of these matters, pending resolution of the appellant proceedings.

NOTE 54 : ASSET PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Current Asset | | |
| Inventories | 6,467.53 | 6,776.56 |
| Trade receivables | 6,365.16 | 6,252.66 |
| Other current financial assets | 28.72 | - |
| Other current assets | 552.41 | 2,452.98 |
| | <u>13,393.82</u> | <u>14,481.90</u> |
| Non-Current assets | | |
| Leasehold land | 730.27 | 737.91 |
| Property, plant and equipment | 24,416.88 | 25,466.33 |
| Capital work in progress | 24,622.77 | 11,756.50 |
| Intangible Assets | 33.85 | 33.67 |
| | <u>49,803.36</u> | <u>37,994.41</u> |
| Total Assets pledged as security | <u>63,197.17</u> | <u>52,476.31</u> |

Note based on the terms and conditions written on sanction letters by bank:

1. Term loan with JP Morgan & Kotak Mahindra Bank in International Comfort Technologies Private Limited has been secured by hypothecation of first charge on entire fixed assets (Movable fixed assets and immovable fixed assets & corporate guarantee provided by Holding Company).
2. Euro Term Loan with Citi Bank Spain in International Foam Technologies S.L, Spain having exclusive charge on owned fixed assets (moveable and immovable) in holding company at manufacturing plant located at Jalpaiguri (West Bengal) , Sahibabad (Uttar Pradesh) , Rajpura (Punjab) and Erode (Tamilnadu).
3. AUD Term Loan with Citi Bank Australia in Joyce Foam Pty Limited having fixed charge over present & future interest in Non -Disposible Property (which include both Movable & Immoveable property) & floating charge on all other assets which does not subject to fixed charge.
4. Working capital loan with Citi Bank Australia in Joyce foam PTY Ltd., has been secured by hypothecation of first charge on entire current assets.



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Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 55 : SEGMENT INFORMATION

Operating segment information

The Group is majorly engaged in the manufacturing of the products of same type/class and as such there is no reportable segment. As per Indian Accounting Standard (Ind AS-108) dealing with the operating segments, Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors of the Holding Company.

Geographical information

| Particulars | (Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Revenue from external customers | | |
| Within India | 1,99,797.97 | 1,95,481.53 |
| Outside India | 87,534.12 | 91,066.31 |
| Total revenue | 2,87,332.09 | 2,86,557.84 |
| Assets | | |
| Within India | 52,341.67 | 42,962.28 |
| Outside India | 67,688.51 | 58,805.53 |
| Total assets | 1,20,030.18 | 1,01,767.81 |

The revenue information is based on location of customers and excluding other operating revenue.

NOTE 56 : TRANSFER PRICING

The Group has appointed an independent consultant for conducting a Transfer Pricing Study to determine whether the transactions with associate enterprises undertaken during the financial year are on an "arm's length basis". The Transfer Pricing study under the Income Tax Act, 1961 in respect of transaction with the group companies for the financial year ended March 31, 2023 is not yet complete. Adjustments, if any, arising from Transfer Pricing study shall be accounted for as and when the study is completed. The management confirms that all international transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms. During the current year, the Transfer Pricing certificate under section 92E of Income Tax Act, 1961 for the year ended March 31, 2022 has been obtained and there are no adverse comments requiring adjustments.

NOTE 57 : EXPOSURE TOWARDS MICRO, SMALL AND MEDIUM ENTERPRISES

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| I The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Group are as under: | | |
| (i) The principal amount and the interest due thereon remaining unpaid to any supplier | | |
| Principal amount | 722.01 | 506.29 |
| Interest | - | - |
| (ii) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ending | - | - |
| (iii) The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year) | - | - |
| (iv) The amount of interest accrued and remaining unpaid for the year ending | - | - |
| (v) The amount of further interest remaining due and payable for the earlier years | - | - |

The information has been given in respect of such suppliers to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Group. Further, the amount payable to these parties is not overdue hence no interest is required to provided/accrued as at March 31, 2023 and March 31, 2022.

II The credit period for purchase of goods and services are from up to 30 days. No interest is chargeable on trade payables.



Sheela Foam Limited

Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 58 : CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

As per provisions of Section 135 of the Companies Act, 2013, the Holding Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed by the Holding Company for carrying out CSR activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects as per the Schedule VII of the Companies Act, 2013.

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| a) Gross amount required to be spent as per section 135 of the Act | 476.02 | 409.07 |
| Add: Amount Unspent from previous years | - | - |
| Total Gross amount required to be spent during the year | <u>476.02</u> | <u>409.07</u> |
| b) Amount approved by the Board to be spent during the year | 523.02 | 457.53 |
| c) Amount spent during the year on | | |
| (i) Construction/acquisition of an asset | - | - |
| (ii) On purposes other than (i) above | 523.02 | 457.53 |
| d) Details related to amount spent | | |
| Contribution to Sleepwell Foundation Trust | 275.00 | 315.00 |
| Spent on Health Support , Promoting education including employment enhancing vocational skills | <u>248.02</u> | <u>142.53</u> |
| | 523.02 | 457.53 |
| e) Details of CSR expenditure in respect of other than ongoing projects | | |
| Balance (Short) / Excess as at opening | - | - |
| Amount deposited in Specified Fund of Schedule VII of the Act within 6 months | - | - |
| Amount required to be spent during the year | 476.02 | 457.53 |
| Amount spent during the year | <u>623.02</u> | <u>457.53</u> |
| Balance (Short) / Excess Spent at end of the year | <u>47.00</u> | - |

f) Corporate social responsibility expenses of Company are managed by related party -Sleepwell foundation (refer note no. 46).



Sheela Foam Limited

Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 96 : STATUTORY GROUP INFORMATION

| Name of the entity in The Group | Net Assets, i.e., Total assets minus Total liabilities | | Share in Profit and loss | | Share in Other comprehensive Income | | Share in Total Comprehensive Income | |
|--|--|--------------------|--------------------------------------|------------------|---|-----------------|---|------------------|
| | As % of consolidated net assets | Amount | As % of consolidated profit and loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| | | | | | | | | |
| Parent | | | | | | | | |
| Sheela Foam Limited | | | | | | | | |
| Balance as at 31 March, 2023 | 85% | 1,38,446.00 | 81% | 16,534.26 | -31% | (383.92) | 75% | 16150.34 |
| Balance as at 31 March, 2022 | 87% | 1,21,172.09 | 91% | 19,884.05 | 83% | (116.98) | 91% | 19767.89 |
| Subsidiaries | | | | | | | | |
| Indian | | | | | | | | |
| 1 Divya Software Solutions Private Limited | | | | | | | | |
| Balance as at 31 March, 2023 | -1% | (1,468.80) | -2% | (381.76) | 0% | 0.00 | -2% | (391.75) |
| Balance as at 31 March, 2022 | -1% | (1,131.10) | -2% | (380.48) | 0% | 0.00 | -2% | (380.48) |
| 2 Steepwell Enterprises Private Limited | | | | | | | | |
| Balance as at 31 March, 2023 | 0% | 230.19 | 0% | (20.30) | 0% | 0.00 | 0% | (20.30) |
| Balance as at 31 March, 2022 | 0% | 207.32 | 0% | (28.56) | 0% | 0.00 | 0% | (28.56) |
| 3 Smap World Private Limited | | | | | | | | |
| Balance as at 31 March, 2023 | -1% | (804.22) | -7% | (1,387.24) | 0% | (5.95) | -7% | (1,403.19) |
| Balance as at 31 March, 2022 | -1% | (808.03) | -5% | (1,156.72) | 12% | (22.28) | -5% | (1,179.00) |
| 4 International Comfort Technologies Private Limited | | | | | | | | |
| Balance as at 31 March, 2023 | 1% | 1,149.43 | 9% | 1,681.40 | -1% | (10.76) | 8% | 1870.64 |
| Balance as at 31 March, 2022 | 0% | (687.51) | -3% | (591.15) | -2% | 3.61 | -3% | (587.52) |
| Foreign | | | | | | | | |
| 1 Joyca Foam Pty Limited | | | | | | | | |
| Balance as at 31 March, 2023 | 9% | 14,287.69 | 5% | 1,067.98 | -1% | (10.71) | 5% | 1077.26 |
| Balance as at 31 March, 2022 | 10% | 13,782.87 | 9% | 2,038.01 | 22% | (41.51) | 9% | 1896.50 |
| 2 International Foam Technologies Spain SLU | | | | | | | | |
| Balance as at 31 March, 2023 | 6% | 10,318.70 | 12% | 2,421.31 | 133% | 1,662.60 | 19% | 4063.91 |
| Balance as at 31 March, 2022 | 5% | 6,621.97 | 9% | 1,977.80 | 5% | (8.53) | 9% | 1969.27 |
| Non-controlling interests in all subsidiaries | | | | | | | | |
| Balance as at 31 March, 2023 | 1% | 828.48 | 1% | 190.55 | 0% | 0.00 | 1% | 190.55 |
| Balance as at 31 March, 2022 | 1% | 763.34 | 1% | 138.83 | 0% | 0.00 | 1% | 138.83 |
| Total | 100% | 1,60,865.64 | 100% | 20,306.22 | 100% | 1,261.26 | 100% | 21,657.48 |
| Balance as at 31 March, 2022 | 100% | 1,40,019.95 | 100% | 21,872.80 | 100% | (186.07) | 100% | 21,697.73 |



Sheela Foam Limited

Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE #0 : INTEREST IN OTHER ENTITIES

Subsidiaries

The Group's subsidiaries as at 31 March, 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by The Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

| Name of entity | Place of business/ Country of Incorporation | Ownership interest held by The Group | | Ownership interest held by non-controlling interests | | Principal activities |
|--|---|--------------------------------------|-------------------------|---|-------------------------|--|
| | | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 | |
| Joyce Foam Pty Limited, Australia | Australia | 100% | 100% | 0% | 0% | Manufacturer of technical foam supplied to Business to Business customers (mattress and furniture manufacturers) |
| Divya Software Solutions (P) Ltd, India | India | 100% | 100% | 0% | 0% | Software development and related ancillary activities |
| Sleepwell Enterprises (P) Ltd, India | India | 100% | 100% | 0% | 0% | Providing of its trademarks, Patents, Logos etc. and earning royalty thereon |
| International Foam Technologies SL, Spain | Spain | 100% | 100% | 0% | 0% | To invest in a Wholly Owned Subsidiary Company in Spain, engaged in manufacturing of Polyurethane Foam |
| Staqo World Pvt Ltd, India | India | 100% | 100% | 0% | 0% | Information technology and related ancillary activities |
| International comfort Technologies Private Limited, India | India | 100% | 100% | 0% | 0% | Manufacturer of mattresses supplied to domestic & overseas customers |
| Interplasp, SL, Spain, (Subsidiary of International Foam Technologies SL, Spain) | Spain | 93.66% | 93.66% | 6.34% | 6.34% | Engaged in manufacturing of Polyurethane Foam |
| Joyce WC NSW PTY Limited (Subsidiary of Joyce Foam Pty Ltd, Australia) | Australia | 100% | 100% | 0% | 0% | Manufacturer of technical foam supplied to Business to Business customers (mattress and furniture manufacturers) |
| Staqo World Kft (Subsidiary of Staqo World Private Limited) | Hungary | 100% | 100% | 0% | 0% | Information technology and related ancillary activities |
| Staqo Incorporated (Subsidiary of Staqo World Private Limited) | U.S. | 100% | 100% | 0% | 0% | Information technology and related ancillary activities |
| Staqo Technologies L.L.C (Subsidiary of Staqo World Private Limited) | Dubai | 100% | 100% | 0% | 0% | Information technology and related ancillary activities |



Sheela Foam Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 61 : DERIVATIVES AND HEDGING

(i) Classification of Derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are accounted for at fair value through profit or loss. Information about the derivatives used by the Company and outstanding as at the end of the financial year is provided below:

| Particulars | (Rs. in Lakhs) | | | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | Financial Assets | | Financial Liabilities | |
| | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 |
| Derivatives designated as Hedging Instruments: | | | | |
| Cross currency interest rate swap | - | - | 945.98 | - |
| Derivatives not designated as Hedging Instruments: | | | | |
| Principal Only Swap | - | - | 1,322.28 | - |

(ii) Hedging activities

Foreign Currency Risk

The Holding Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions.

Derivatives designated as hedging instruments are accounted for as cash flow hedges.

(iii) Hedge Effectiveness

For derivatives designated as hedging instruments, there is an economic relationship between the hedged items and the hedging instruments as the terms of the hedge contracts match the terms of hedge items. The Holding Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and interest rate are identical to the hedged risk components. To test the hedge effectiveness, the Holding Company compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

(iv) Source of Hedge Ineffectiveness

For derivatives designated as hedging instruments, in case of foreign currency risk and interest rate risk, the main source of hedge ineffectiveness is the effect of the counterparty's credit risk on the fair value of hedge contracts, which is not reflected in the fair value of the hedged items. The effect of this is not expected to be material.

(v) Disclosures of effects of Cash Flow Hedge Accounting:

Hedging Instruments

The Holding Company has taken derivatives to hedge its loan given to its subsidiary.

| Particulars | (Rs. in Lakhs) | | |
|--|------------------|-------------|-------------------|
| | Less than 1 year | 1 to 5 year | More than 5 Years |
| Cross currency interest rate swap | | | |
| As at March 31, 2023 | | | |
| Nominal Amount | - | - | 6,416.80 |
| As at March 31, 2022 | | | |
| Nominal Amount | - | - | - |

(vi) The effect of the cash flow hedge in the Statement of Profit or Loss and Other Comprehensive Income is as follows:

| Particulars | (Rs. in Lakhs) | |
|---|---|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Cash flow Hedge Reserve at the beginning of the year | - | - |
| Total hedging (loss) recognised in OCI | (347.78) | - |
| Income tax on above | 87.53 | - |
| Ineffectiveness recognised in profit or loss | (1,322.28) | - |
| | Net Loss on Foreign Currency Forward Contracts in "other expenses" | - |
| Line item in the statement of profit or loss that includes the recognised ineffectiveness | - | - |
| Amount reclassified from OCI to profit or loss | - | - |
| Income tax on above | - | - |
| Cash flow Hedge Reserve at the end of the year | (280.25) | - |
| Line item in the statement of profit or loss that includes the reclassification adjustments | Not Applicable | - |



Sheela Foam Limited

Notes forming part of the consolidated financial statements for the year ended March 31, 2023

(vii) The outstanding position of derivative instrument is as under:

| Nature | Currency | Purpose | As at March 31, 2023 | | As at March 31, 2022 | |
|-----------------------------------|----------|--|-----------------------------------|--|-----------------------------------|--|
| | | | (Nominal value) (Rs. in Lakhs) | (Notional value) Foreign Currency (in Lakhs) | (Nominal value) (Rs. in Lakhs) | (Notional value) Foreign Currency (in Lakhs) |
| Cross currency interest rate swap | EURO | Hedging of Foreign Currency Loans Principal & Interest | 6,416.80 | 80.00 | - | - |
| Principal Only Swap | EURO | Hedging of equity investment in foreign subsidiary | 9,380.00 | 120.00 | - | - |
| | Total | | 15,806.80 | 200.00 | - | - |

Exchange rates used for conversion of foreign currency exposure:

| Currency | As at March 31, 2023 | As at March 31, 2022 |
|----------|-------------------------|-------------------------|
| EURO | 85.61 | 82.13 |

(viii) The impact of the hedging instruments on the statement of financial position is as under:

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Nominal Amount | 6,416.80 | - |
| Carrying Amount (net) | 7,168.61 | - |
| Line item in the statement of financial position that includes Hedging Instruments | Other current financial liabilities | - |
| Change in fair value of the hedge item used as the basis for recognising hedge ineffectiveness for the year - Gain / (Loss) | (260.25) | - |

(ix) Hedge Items

The Impact of the Hedged Items on the statement of financial position is as follows:

| Particulars | (Rs. in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Balance in Cash flow hedge reserve as at the end of the year for continuing hedges (net of tax) | (260.25) | - |
| Change in value of the hedged item used for measuring ineffectiveness for the year (net of tax) | (260.25) | - |

(x) Particulars of unhedged foreign currency exposure as at balance sheet date:

| Particulars | Currency | As at March 31, 2023 | | As at March 31, 2022 | |
|-----------------------------|----------|----------------------|--------------|----------------------|--------------|
| | | FC in Lakhs | Rs. in Lakhs | FC in Lakhs | Rs. in Lakhs |
| Trade payables | USD | (28.88) | (2,358.02) | (26.23) | (2,030.86) |
| | EURO | (0.37) | (33.08) | (0.92) | (79.48) |
| | GBP | (0.20) | (20.00) | (0.19) | (19.28) |
| | NZD | - | - | (2.41) | (127.14) |
| Creditors for Capital Goods | EURO | (0.65) | (59.44) | - | - |
| Term Loan | USD | (94.10) | (7,736.38) | (84.10) | (7,247.32) |
| Trade receivables | USD | 9.95 | 817.82 | 10.28 | 778.46 |
| | AED | 9.21 | 205.88 | - | - |
| Bank balance | AED | - | - | 580.00 | 0.11 |
| | USD | - | - | 1,833.46 | 268.67 |



Sheela Foam Limited

Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 62 : INCOME TAX EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS

| Particulars | (Rs. in Lakhs) | |
|---|---|---|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Current tax | | |
| In respect of current year | 7,875.59 | 8,331.47 |
| Tax expenses related to earlier years | <u>(77.20)</u> | <u>(22.04)</u> |
| | <u>7,798.39</u> | <u>8,309.43</u> |
| Deferred tax | | |
| Origination and reversal of temporary differences including Tax impact on Other Comprehensive Income | (929.46) | (593.50) |
| | <u>(929.46)</u> | <u>(593.50)</u> |
| Total income tax expense recognised in the current year including tax impact on Other Comprehensive Income | <u>6,868.93</u> | <u>7,715.93</u> |

The income tax expense for the year can be reconciled to the accounting profit as follows:

| Particulars | (Rs. in Lakhs) | |
|--|---|---|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Profit before tax (including Other comprehensive income) | 26,779.33 | 29,453.70 |
| Income tax expense calculated at 25.166% | 6,739.82 | 7,412.91 |
| Effect of income that is exempt from taxation | (31.29) | - |
| Effect of expenses that are not deductible in determining taxable profit | 407.17 | 115.15 |
| Effect of difference in tax rates | (31.80) | 197.17 |
| Others | <u>(137.77)</u> | <u>12.74</u> |
| | <u>6,946.13</u> | <u>7,737.97</u> |
| Adjustments recognised in the current year in relation to tax of prior years | <u>(77.20)</u> | <u>(22.04)</u> |
| Income tax expense recognised in the Statement of Profit and | <u>6,868.93</u> | <u>7,715.93</u> |
| Effective Tax Rate | 25.65% | 26.20% |

NOTE 63 : THE CODE ON SOCIAL SECURITY 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

NOTE 64: UTILISATION OF BORROWED FUNDS

(i) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 65 : EVENTS AFTER THE REPORTING PERIOD

There are no significant adjusting events after the reporting period.

NOTE 66 : DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

The Group has not traded or invested in Crypto currency or Virtual currency during the financial year.

NOTE 67 : UNDISCLOSED INCOME (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

The Group does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

NOTE 68: DETAILS OF BENAMI PROPERTY HELD (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

NOTE 69: RELATIONSHIP WITH STRUCK OFF COMPANIES UNDER SECTION 248 OF THE COMPANIES ACT, 2013 OR SECTION 560 OF COMPANIES ACT, 1956 (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

The Group does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.



Sheela Foam Limited

Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 70: RECONCILIATION OF QUARTERLY RETURNS OR STATEMENTS OF CURRENT ASSETS FILED WITH BANKS OR FINANCIAL INSTITUTIONS

As at March 31, 2023

| Quarter | Name of bank | Particulars of Securities Provided | Amount as per books of account (Rs. in Lakhs) | Amount as reported in the Quarterly statement (Rs. in Lakhs) | Amount of difference | Reason for material discrepancies |
|---------|--|--|---|--|----------------------|-----------------------------------|
| Jun-22 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 28,747.00 | 28,747.00 | - | - |
| Sep-22 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 31,359.00 | 31,359.00 | - | - |
| Dec-22 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 24,490.00 | 24,490.00 | - | - |
| Mar-23 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 29,274.00 | 29,274.00 | - | - |

As at March 31, 2022

| Quarter | Name of bank | Particulars of Securities Provided | Amount as per books of account (Rs. in Lakhs) | Amount as reported in the Quarterly statement (Rs. in Lakhs) | Amount of difference | Reason for material discrepancies |
|---------|--|--|---|--|----------------------|-----------------------------------|
| Jun-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 23,930.09 | 23,930.09 | - | - |
| Sep-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 29,075.37 | 29,075.37 | - | - |
| Dec-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 27,449.27 | 27,449.27 | - | - |
| Mar-22 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 26,924.94 | 26,924.94 | - | - |

NOTE 71 : COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

The Group has complied with the number of layers prescribed under clause (B7) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Note 72

The Group did not have any material foreseeable losses on long term contracts including derivative contracts.

Note 73

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.



Sheela Foam Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023

NOTE 74: FOLLOWING ARE THE RECLASSIFICATIONS MADE IN THE PREVIOUS YEAR FIGURES TO MAKE THEM COMPARABLE/ BETTER PRESENTATION WITH THE CURRENT YEAR FIGURES:

| Particulars | (Rs. In Lakhs) | | Nature |
|--------------------------------|-----------------------------|-------------------------------|------------------------|
| | March 31, 2022 (Revised) | March 31, 2022 (Published) | |
| Assets | | | |
| Non-Current Assets | | | |
| Loans | 7.59 | 8.47 | Reclassification items |
| Deferred tax asset | 783.19 | - | Reclassification items |
| Non Current Tax Assets (Net) | 683.34 | 675.35 | Reclassification items |
| Other non-current assets | 2,563.97 | 799.71 | Reclassification items |
| Current Assets | | | |
| Trade Receivables | 26,939.30 | 28,504.18 | Reclassification items |
| Loans | 557.36 | 555.07 | Reclassification items |
| Other financial assets | 2,634.23 | 2,637.42 | Reclassification items |
| Other current assets | 4,021.66 | 5,938.49 | Reclassification items |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Provisions | 1,932.59 | 2,738.94 | Reclassification items |
| Deferred tax liabilities | 966.99 | 183.80 | Reclassification items |
| Current Liabilities | | | |
| Trade payables | 28,038.46 | 29,625.31 | Reclassification items |
| Other financial liabilities | 4,402.60 | 4,538.64 | Reclassification items |
| Provisions | 1,056.13 | 250.38 | Reclassification items |
| Other current liabilities | 7,703.02 | 7,679.05 | Reclassification items |
| Income | | | |
| Revenue from Operations | 2,86,557.84 | 2,96,180.84 | Reclassification items |
| Expenses | | | |
| Cost of materials consumed | 1,83,325.03 | 1,79,850.03 | Reclassification items |
| Employee benefits expense | 25,647.67 | 25,768.82 | Reclassification items |
| Other expenses | 35,585.89 | 50,462.64 | Reclassification items |

NOTE 75: SCHEME OF AMALGAMATION WITH WOS OF THE COMPANY

The Scheme of Amalgamation of the wholly owned subsidiary, i.e., International Comfort Technologies Private Limited ("ICTPL" or "Transferor Company") with Sheela Foam Limited ("SFL" or "Transferee Company") and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") is subject to necessary statutory and regulatory approvals including the approvals of National Company Law Tribunal, Bench at Delhi ("NCLT"). The same will be accounted for in the books of accounts, in accordance with appendix C to Ind AS-103 on the approval from NCLT.

For M S K A & Associates
Chartered Accountants
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of
Sheela Foam Limited
CIN: L74899DL1971PLC005679

Nipun Gupta
Partner
Membership No.: 502896

Rahul Gautam
Managing Director
DIN:00192999

Tushaar Gautam
Whole Time Director
DIN:01645487

Amit Kumar Gupta
Group Chief Financial
Officer

Place: Gurugram
Date: May 17, 2023

Place: Noida
Date: May 17, 2023

Md. Iqbal Ahmad
Company Secretary
Membership No.: A20921



*Upholding a rich legacy
of delivering premium comfort*



Sheela Foam Limited

ANNUAL REPORT 2022-23

Legacy is never shaped in a day.

It took us decades to build a strong business foundation, supported by high-tech manufacturing capabilities, meticulous innovation and implementation of best-of-breed technologies. Our objective is to create products that deliver premium comfort to millions of people in India and other parts of the world. In addition, our distribution strength helps our products reach millions of customers and patrons across geographies.

Legacy

Legacy is an action word for us.

It inspires us to ramp up our manufacturing capabilities, roll out new products in line with customer aspirations and build a business model that is agile and resilient to challenges.

India's GDP forecasts and demand projections continue to be encouraging for us. The global economy is also gradually recovering from multiple headwinds. Supply chain network is stabilising, raw material prices are easing and the demand for our products are picking up momentum.

Legacy is empowering.

As a trusted brand with a wide product basket, we are seeing a lot of opportunities to grow our business and brand reputation. We have done significant work in the areas of product mix and design, and will continue to focus on product premiumisation and diversification in the coming years.



Delivering quality comfort for over five decades

We commenced our journey in 1971 as a pioneer in the mattress and foam industry and are currently the market leader and the largest manufacturer of Polyurethane Foam (PU) in India.

We specialize in the production of a diverse range of foam-based household comfort items, including mattresses, furniture cushions, as well as technical grades of polyurethane foams that cater to various industries such as the automotive, acoustics and many more.

Our flagship household brands "Sleepwell" for mattresses, "Feather Foam" for pure PU Foams, and "Laminiflex" for polyester foam laminates have achieved global recognition. We have a strong global manufacturing footprint with manufacturing plants in India, Australia and Spain.

We have 11 manufacturing plants in India, with 123,000 MTPA of total integrated capacity, 5 manufacturing plants in Australia with a capacity of 11,000 MTPA and one manufacturing plant in Spain with a capacity of 22,000 MTPA to cater to European and US markets.

Our Company has a strong presence and market share in Australia through our wholly owned subsidiary, Joyce Foam Pty Ltd. and also in Spain through our subsidiary, Interplasp S.L.

The expansion of our portfolio across adjacent categories, coupled with the strategic utilisation of digital channels to enhance customer engagement, has played a pivotal role in the growth of market share. Our well-equipped integrated manufacturing facility and extensive distribution network of exclusive distributors, exclusive retail dealers and multi-brand outlets enable us to offer our products to customers worldwide.



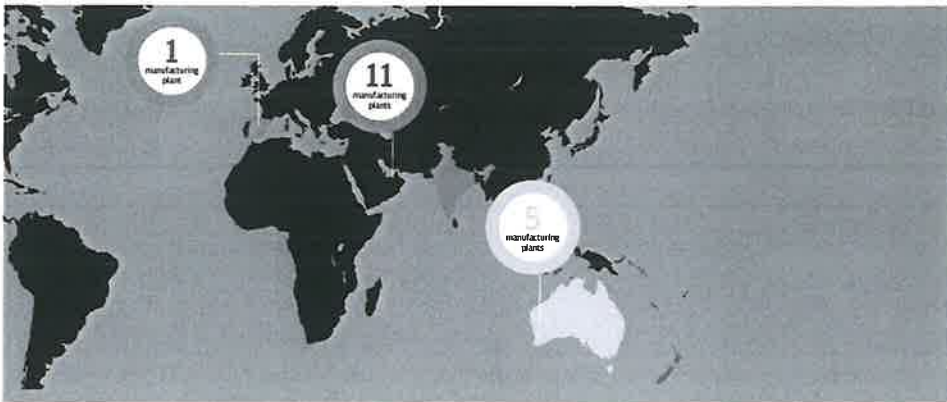
Vision and mission

We will continue the legacy of being recognised as a leader in premium comfort products.

We will always reinforce our core values of integrity, reliability, pro-activity and transparency.

Every customer will be served with a smile.

We will remain committed to society.



Group companies

Joyce[®]

Joyce Foam

It is a prominent manufacturer of flexible polyurethane foam in Australia, holds a significant market share of approximately 40%. As a wholly-owned subsidiary of Sheela Foam, it operates advanced production facilities in key cities such as Adelaide, Canberra, Melbourne, Perth, and Sydney.

Certifications



Joyce foam produces raw materials for branded mattresses and has products catering to the following industries



Furniture



Medical



Industrial

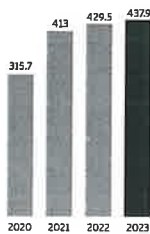


Moulded



Polystyrene

Revenue
(₹ in Crore)



11,000 MTPA
Installed foam
manufacturing capacity

~40%
Market share in
Australia



Interplasp S.L.

A subsidiary of Sheela Foam, Interplasp S.L. has an extensive 30-year experience in the industry. Situated in Yecla, Spain, Interplasp leverages its best-in-class manufacturing facility, located in one of Europe's most cost-effective manufacturing locations. This strategic positioning provides a competitive advantage, thereby facilitating the development of a robust regional presence. The Company has also started exporting to the US with 'Bed-in-a-box' mattress strategy.

The Company produces five range of PU foams

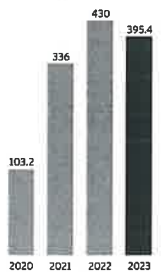


Interplasp is a
EUROPUR (European
association of flexible
polyurethane foam
blocks manufacturers)

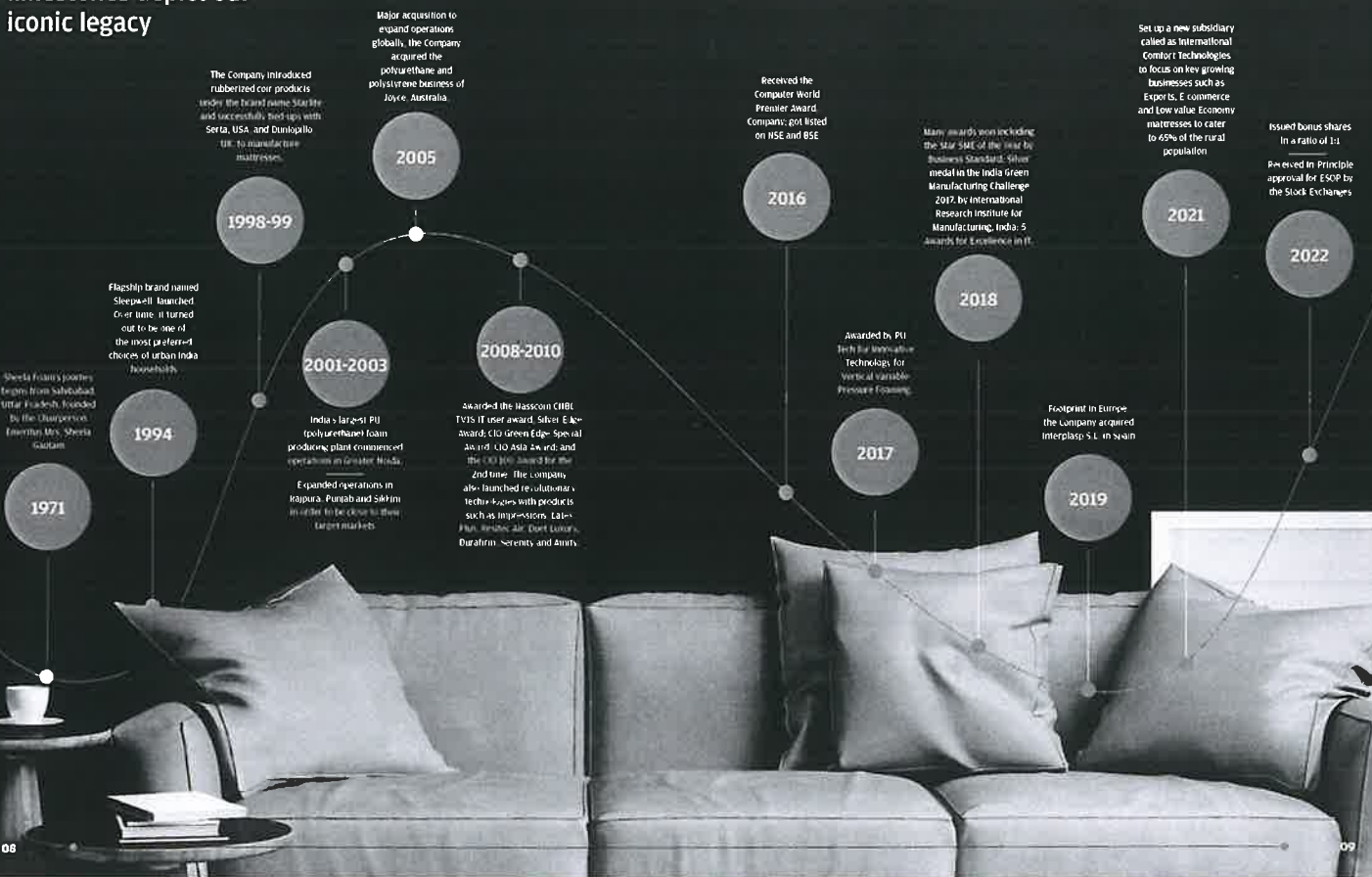
22,000 MTPA
Installed polyurethane foam
manufacturing capacity



Revenue
(₹ in Crore)



Milestones depict our iconic legacy



An impressive range of products to deliver lasting value

Through our industry-leading products and technologies, we have consistently provided very high levels of comfort and restful sleep to our customers.

Our unwavering commitment to excellence is reflected in the meticulous conceptualization, design and manufacturing of our products, which is underpinned by extensive research and rigorous quality control measures. With a steadfast focus on innovation, we have remained at the forefront of the industry, continuously raising the bar for premium sleep solutions.

Mattress

The mattress segment forms the major share of our business, representing 41% of our enterprise. Our renowned household brand, 'Sleepwell,' was founded in 1994 and has since grown to be one of the most sought-after mattress brands in India. We are dedicated to investing in research and development, as well as pursuing innovative solutions, to continuously enhance our product portfolio. We offer premium, mid-market and premium mattresses, which ranges from ₹8000 to over ₹1 lakh.

Revenue*
(₹ in Crores)



Volume*
(Lakhs)



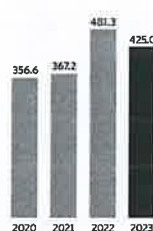
*Standardize



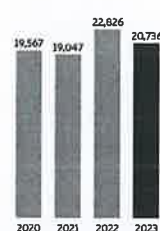
Comfort foam and home care products

Our industrial-grade Comfort Foam products have demonstrated exceptional versatility, finding numerous applications in the manufacturing of mattresses, sofas, and other similar goods. With a strategic focus on expanding our product offerings, we have forayed into the home accessories segment, introducing a range of premium Comfort Accessories to our portfolio. This selection includes well-crafted pillows, mattress protectors, bolsters and back cushions, designed to enhance comfort and elevate the user experience.

Revenue*
(₹ in Crores)

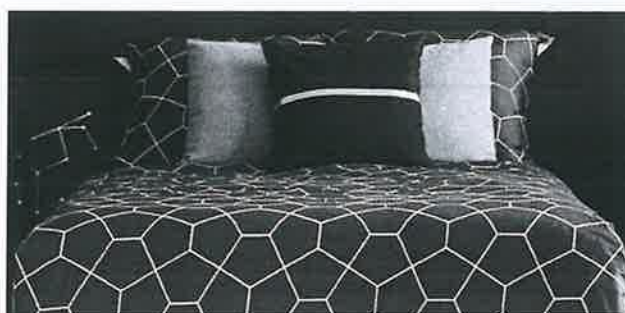


Volume*
(MT)*



*Standardize

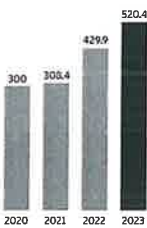
*Volume (MT) only includes Comfort foam



Technical foam

Our range of technical products find varied applications in multiple industries such as home furnishings, automobile seating, apparel and accessories, auditoriums, hospital beds, among others. The implementation of technical foam in these products serves to augment the comfort and convenience of end users.

Revenue*
(₹ in Crore)



Volume*
(MT)



*Standalone

Furniture foam

As India's leading producer of polyurethane foam, we have broadened our scope to encompass allied sectors with a view to enhancing our product portfolio and generating added value. Among these, our furniture cushioning offerings are of paramount significance, serving as integral components of an array of furnishings such as sofa sets, chairs, custom sofas, sofa-cum-beds, and more.

Our furniture cushioning range includes:

Primo

Incorporates unique composition and extra thickness for enhanced comfort and support



Resitex

It uses advanced High Resilience (HR) cushioning technology which provides personalised comfort for the ultimate cushioning experience.



Cool Gel-S

The cool Gel-S particles are a scientific breakthrough in furniture and cushioning that dissipate heat easily and offers cooling.

Products

Product lines

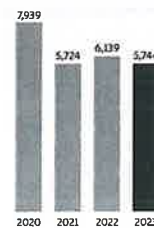
End user industries

| | | |
|--------------------------|------------------------------------|--|
| Automotive foam | Polyester foam, poly-ether foam | Seat cover, Sound absorption systems, Sun visors, Headliners, Door trims, Lamination systems |
| Reticulated foam | Ester-based foam, Ether-based foam | Filtration systems, Ceramic foam filters, Outdoor furniture, Microphones and headphones, Safety fuel tanks, Ink cartridges |
| Ultra violet stable foam | | Sportswear, Innerwear and lingerie, Clothing, Swimwear, Comfort accessories for shoes |
| Silientech foam | Ester-based PU foam | Automotive, Diesel generator canopies, Theatres, auditoriums, indoor stadiums, Broadcasting rooms and recording studios, Industrial silencers, Aco |

Revenue*
(₹ in Crore)



Volume*
(MT)

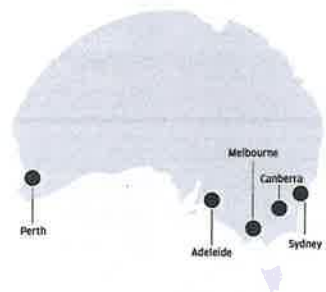
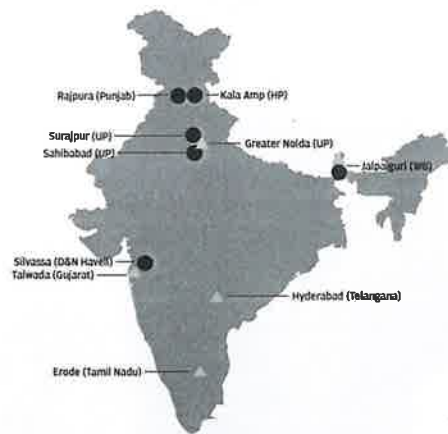


*Standalone

Delivering premium comfort to millions

We are currently operating a total of 11 manufacturing facilities in India. Currently, we are focusing on establishing the 12th plant in Maneri near Jabalpur, which will specialize in foaming and foam processing. We have deliberately dispersed our manufacturing plants in order to effectively cater to strategic geographical touchpoints.

Each plant is strategically situated in proximity to markets and ports, thereby facilitating swift and optimal serviceability to our esteemed clientele, as well as enabling cost-effective import of raw materials and export of technical foam.



● PU Foam Manufacturing & Processing
● PU Foam Processing

Chairman's communique



It is refreshing to be part of an organisation that is creative, highly responsive and truly cares about its customers.

Dear Shareholders,

The foam industry in India like any other industry, has undergone an intense transformation in recent years. With rising income levels, greater health consciousness and growth in the real estate & hospitality sectors are a few factors that have led to the expansion of this industry.

At Sheela Foam, we have consistently remained at the vanguard of transformation of this sector. Our journey has been a true reflection of India's PU foam industry's growth. We have witnessed the industry's evolution, from its early days of PU foam production to the embracement of advanced manufacturing technologies and sustainable practices. For more than five decades, we have been carrying on the rich legacy of delivering premium comfort products and remain committed to advancing the PU foam industry's long-term growth and development.

Our flagship brand, **Sleepwell** has earned the trust of customers and delivers on its brand promise of supreme quality and personalised products. We have been able to deliver 'Maa Jaisa Aaram' through our meticulously created Sleepwell products that meet the highest international quality standards.

Macroeconomic trends

The macroeconomic landscape for the global economy remained challenging throughout fiscal year 2022-23. Geopolitical conflicts, Supply Chain disruptions and

soaring commodity prices led to a shortage of raw materials and a surge in freight costs that hit the Mattress industry. However, we took the multitude of challenges in their stride and continued to invest in our people, processes and technology to emerge stronger than we were before.

Looking back at the year under review

As a leading manufacturer of top-notch foam based products, we have continued to expand our product line to meet evolving customer needs, which has further helped us differentiate ourselves from the industry peers.

Throughout the course of FY23, we strived hard to enhance the quality of our products by leveraging best-of-breed technology, thereby providing absolute comfort and convenience to our customers. Moving forward, we intend to build on our existing product line, expertise and manufacturing capabilities to produce niche and healthier margin products.

We have recorded rapid growth with our Technical and Home Comfort products over the years. Demand of mattresses were subdued due to inflation. Our presence in the economy segment through the 'Feather Foam' and 'Starlite' brands further helps consolidate our leading market position. During the fiscal year, we expanded our product portfolio with superior designs and strengthened our position as India's largest foam manufacturer. We also made strategic investments in technology and infrastructure to enable us to improve our state-of-the-art manufacturing capabilities and supply chain efficiencies.

Performance overview

During the last financial year, our consolidated revenue stood at ₹ 2873 crore in compared to ₹ 2865 crore of the previous year. Our EBITDA is ₹ 297 crore in FY 2022-23 and ₹ 314 crore in FY 2021-22. PAT for the FY 2022-23 is ₹ 203 crore compared to ₹ 218 crore in FY 2021-22.

Furthermore, our presence in Australia through our subsidiary Joyce Foam Pty Limited, which is the largest foam player in Australia, accounted for 15 % of revenue in FY2023. Net revenue from operations in Australia in FY 2022-23 is AUD 80 million as compared to AUD 78 million in FY 2021-22. Net profit stood AUD 1 million in FY 2022-23 compared to AUD 2 million in FY 2021-22. Whereas in Spain, our subsidiary Interplasp S.L. constituted 14% of revenue in FY 2022-23. The revenue from operations in Spain for the year under review stood at Euro 47 million compared to Euro 51 million in FY 2021-22.

Strategic roadmap

We focus on identifying potential markets with high growth potential and establishing a robust distribution network to reach Tier I and Tier II cities. As auto industry has continued to perform well in India, resulting in high volume and revenue growth in our Technical Foam products.

With the rise prevalence of e-commerce platforms, we are investing in digital marketing to cater to a larger audience, drive sales and increase customer engagement. Additionally, we strive to reduce costs by streamlining supply chains, improving operational efficiencies and lowering overhead costs.

Sustainability measures

At Sheela Foam, we have always been committed to integrating sustainability into all that we do and minimising our environmental footprint. We have been consistently implementing precise, well-thought-out measures across our operations, including reducing energy consumption and use the foam waste in Rebonded Foam and Mattresses. Being a responsible organisation, we are also employing green technology to manufacture high quality foam through a Variable Pressure Foaming machine.

Way forward

Being one of the top players in the industry, we further intend to accelerate

our growth trajectory to grow faster. Strengthened by our rich expertise, pan-India distribution and manufacturing network, solid global presence, diverse product portfolio and robust R&D capabilities, we remain optimistic about our future growth prospects. We are particularly excited about the growth potential of our flagship brand, **Sleepwell**, which has become synonymous with high quality and comfortable mattresses in India. As the demand for better-quality sleep increases, we are well-positioned to leverage our expertise and scale to meet this growing demand.

In the years ahead, we plan on expanding our product offerings in various areas, including furniture, automotive and healthcare, where we anticipate immense growth potential. To stay ahead of the curve in terms of both innovation and design, we are judiciously investing in R&D and New Product Development.

In our relentless pursuit of excellence, we remain committed to delivering premium-quality products, adopting sustainable practices and creating sustainable value for our customers, employees and shareholders. While the business landscape continues to rapidly evolve, we remain agile, resilient and innovative, leveraging technology to stay competitive.

With an ever-guiding Board, a formidable Team and a well-defined strategic direction, we are confident that Sheela Foam will stay on track to achieve its goals and unlock the next phase of growth.

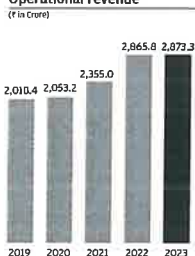
On behalf of everyone at Sheela Foam, I would like to take this opportunity to extend my sincere gratitude to all my colleagues, partners and stakeholders for your consistent trust and cooperation throughout our journey. It is refreshing to be part of an organisation that is creative, highly responsive and truly cares about its customers.

With best regards,

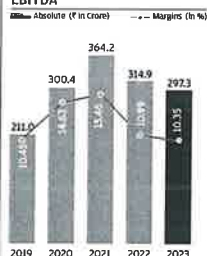
Rahul Gautam
Chairman & Managing Director,
Sheela Foam Limited

Financial highlights (Consolidated)

Operational revenue



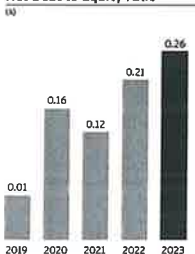
EBITDA



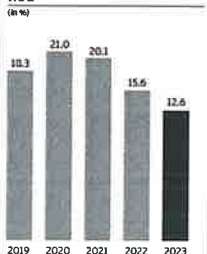
PAT



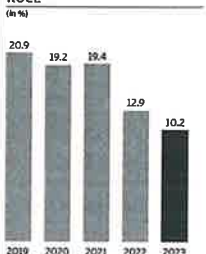
Net Debt to Equity ratio



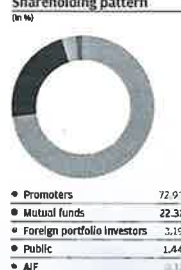
ROE



ROCE



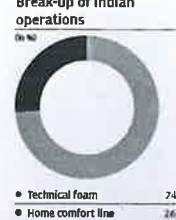
Shareholding pattern



Segment-wise break-up



Break-up of Indian operations



Powerful tailwinds of growth

Our sustainable growth strategy is driven by powerful socio-economic trends in India and overseas markets. These trends, we believe, will accelerate further as economies generate more employment and disposable income.



Rising share of organised sector

As the global market expands and branded companies become increasingly prevalent, consumers are gravitating towards products that offer higher quality, safety and

personalised options. The result: a noticeable increase in organised industry players within the mattress market. This demand shift is reflective of a desire for more reliable and customised products, driving consumers away from traditional, low quality options.

High margin products

The expansion of product portfolios into new and adjacent categories, alongside increased engagement through digital channels, has played a significant role in driving deeper market penetration and fostering growth. This approach has allowed the industry to broaden its offerings and cater to a wider range of customer needs and preferences. Additionally, the utilisation of digital channels has facilitated greater outreach and interaction with consumers, leading to increased brand recognition and loyalty.

Growing consumption

The mattress market in India addresses a yearly demand of approximately 7 million new units. The average replacement cycle for mattresses in the country stands at approximately 12 years, resulting in a replacement demand of approximately 11.6 million units. These figures offer insight into the size and scope of the Indian mattress industry, highlighting the potential for growth and expansion within the market. The replacement cycle is gradually diminishing, with people seeking more comfortable options.



End-user industries

The government's initiatives such as Smart City and Housing for All, coupled with supportive policies and measures, are poised to significantly boost the real estate industry, leading to an increase in residential units and subsequently driving the growth of the mattress market. This surge in demand for mattresses can be attributed to the higher consumption of these products as a result of growing residential construction.

Work from home culture

The shift in work patterns has resulted in a growing need for designated spaces within the home for conducting office work, regardless of the size of the living spaces. As a result, there has been a rise in the presence of 'office furniture' in households, presenting a significant opportunity for businesses operating in this segment. This trend has opened up new avenues for growth, as individuals and households increasingly seek out specialised furniture to accommodate their work needs within the confines of their homes.

Our strategic priorities

Manufacturing facilities

We are the pioneers in Vertical Pressure Foaming (VPF), which is the world's most environmentally responsible foam manufacturing and is equipped with the modern foaming machines. This has allowed us to manufacture products at scale and resulted as being the largest integrated manufacturer of PU foam and mattresses in India. Meanwhile, our units in Australia and Spain provides us synergy and help us maintain a global manufacturing network.

1,23,000 MTPA
Indian manufacturing capacity

11,000 MTPA
Australian manufacturing capacity

22,000 MTPA
Spain manufacturing capacity



Capacity expansion

We see a huge opportunity in the economy mattress segment and are building capacity to augment the market share. We set up new export oriented greenfield plants in Madhya Pradesh and Gujarat by leveraging the technology from Australia and Spain.

Expected growth in Mattress production

We are also setting up a new plant in Adelaide with focus on enhancing the market share in Australia. We are also expanding capacity in Spain with a focus on 'Bed in a box' strategy for the US market.



5,000 MTPA
Increase in capacity for Spain operation

350+ crore
CAPEX for capacity expansion

20,000
Mattresses per day capacity



CAPEX distribution (in %)



- India operations 70
- Australia (Joyce) 15
- Spain (Interplaso) 15

Our marketing efforts

We are consistently expanding our Below The Line (BTL) marketing efforts for our legacy brands including Sleepwell and Feather Foam. We are also revitalising our e-commerce marketing with the help of content marketing. Some of our content marketing initiatives are as below



Sleep talk

This initiative aims to provide information and suggestions for a healthy sleep routine.



Your sleep story

This was a community engagement initiative, which allowed participants to share their sleep stories and experience.

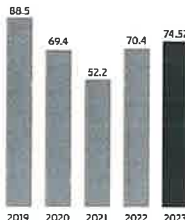


Sleep expert

The initiative helped gain advice and answers to frequently asked question from sleep experts.

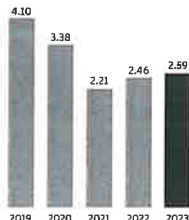
Advertising expense

(₹ In Crore)



Advertising expense as percentage of revenue

(%)



Our expanding distribution network

We have an efficient network of dealers and outlets, which allows our products to reach a wide array of customers. Most of our distributors have been associated with us for more than 20 years. Our exclusive dealers are located in strategic proximity to manufacturing plants, which not only minimises the carriage fees, but also minimise product damage. Our exclusive brand outlets help enhance our brand equity.



427
Outlets



1,067
Outlets



1,114
Outlets

Tech-enabled distribution network

Our distribution network is well equipped with our IT platforms, enabling us to track secondary sales made by the distributors in real time. This allows us to reduce the turnaround time and helps us make quick strategic decisions.



115+
Exclusive Distributor

5,600 +
Exclusive brand outlets

7,500+
Multi brand outlets

Caring for the community

Creating value, equity, and positive social change, lies at the heart of our CSR initiatives at Sheela Foam



Our CSR activities have brought Sheela Foam closer to the goal of bringing transformative change in society. Through Awareness about **EMOTIONAL WELLNESS AND SKILL DEVELOPMENT**, we are touching millions of lives in almost every part of India. SFL is committed to further its efforts, particularly through the use of digital technology, to broaden our reach and make an even deeper impact, touching lives of more people across the country.

Our Emotional Wellness initiatives focus on raising awareness about **PROACTIVE EMOTIONAL Well-being** and promoting **PREVENTIVE HEALTH CARE**, particularly among underprivileged and marginalized groups of society through workshops and online outreach of content made by us. We aim to reduce vulnerability, prevent mental illness, and break the stigma surrounding mental health.

Through mass outreach and on-ground programs, we cultivate a supportive environment and advocate for the adoption of Emotional Wellness practices.



The workshops conducted by expert counsellors include topics like Perception & Communication, Emotional Wellness, Relationship, Preventing Addiction, Puberty, Gender Sensitization & Stress Management; custom made for the specific age-based target group Primary Schools, Middle Schools, Senior Secondary schools & Vocational Training Institutes. This year 5,957 people directly benefited through our Emotional Wellness on-ground Initiatives.



Our wellness conclaves inspire the influence and decision-making community to advocate for Proactive Emotional Wellness benefiting all segments of society.

Our initiatives contribute to the United Nation's

SDG 3; promoting good health and well-being for all. Our comprehensive approach has yielded positive outcomes, significantly enhancing overall well-being of individuals and society as a whole



Our **SKILL DEVELOPMENT** initiatives directed at the youth are empowering them with employability skills, thereby enabling sustainable livelihood and

economic well-being. We leverage our CSR resources to help accelerate economic development and reduce disparity.

Set up with a vision to skill the rural youth with job & livelihood centric skills, **SLEEPWELL FOUNDATION SKILL DEVELOPMENT CENTRE IN VILLAGE MIRPUR, KHURJA, U.P.** has, over a span of just six years, become a leading institute of vocational learning in the area.



It has a state-of-the-art infrastructure and a dedicated team of trainers and mentors. It offers vocational courses like fashion designing, paramedical studies, computer skills, selling skills, English language, and armed forces pre-recruitment training, tailored to meet local youth's - both girls' and boys' needs and aspirations.

With regular events, job fairs, and industry expert sessions, the centre provides valuable exposure and experience to the rural youth. In addition, the centre imparts essential life and soft skills to the trainees, significantly enhancing their personalities and boosting

their confidence & employability opportunities in the job market. 500 individuals have directly benefited, securing placements in Govt. and private organizations, while many are pursuing entrepreneurial ventures.

We also conduct the following **ONLINE, OFFLINE, AND HYBRID WORKSHOPS**, upskilling the educated youth to meet evolving demands:

- 'How to Start a Business'
- 'Enhance Your Professional Effectiveness'
- 'Build Your Professional Effectiveness'
- 'Train the Teacher, Enhancing Functional & Soft Skills'



Our flagship programs, which are designed to enhance employability, job performance, and career growth, directly benefited 3,195 individuals in 2022-23.

Our initiatives are driven to connect with one and all. We do not face any obstacle while implementing our CSR initiatives as they are transparent and strategically purpose driven. People enthusiastically welcome and collaborate with us at all levels.

Moreover, we receive unwavering support and resources from our management throughout the process.

How We Measure Our Impact

Our CSR initiatives are primarily based on two platforms: online and on-ground. For online initiatives, which are conducted through social media, we gather data points directly from their source. For on-ground activities, we carry out a physical assessment. We measure the impact factor by analyzing this data. For our social media campaigns, such as ZWR, BDK, etc., we observe metrics like reach and engagement, which provide us with a comprehensive overview of the impact.

474.5 million
People reached

23.4 million
People inspired

13.3 million
Total engagement

489.9 million
Impression

12,156
People advocated and shared

Our total reach stands at 474.5 million, of which 64.69 million was achieved in FY23. Our on-ground activities directly benefited 53,624 people and indirectly impacted an additional 2,38,627 individuals, with 8,577 and 38,168 of these benefits respectively occurring in FY23. These metrics are regularly updated on our website. The qualitative impact is ascertained through comments, which are also consistently posted in the impact section of our website.

For our on-ground initiatives, such as the Rozgar Mela and skill development

workshops, we determine the success rate and impact through a physical headcount and qualitative feedback gathered from the beneficiaries.

Joining Hands

To create maximum impact and achieve our goals more efficiently, we actively collaborate with knowledge and resource partners, industry associates, and educational institutions for our CSR activities.

In FY23, we collaborated with G20 Empower, FICCI FLO, and FICCI Young FLO to host the Wellness Conclave. We partnered with renowned senior journalist and media personality, Richa Anirudh, to produce "Sleepwell Foundation Presents Zindagi with Richa" - an Inspirational film series featuring real-life stories, designed to inspire and motivate the masses.

For our skill development workshops, we partnered with industry bodies CII and FICCI FLO, as well as various educational institutes. Our partners included BITS Pilani, Apeejay School of Management in New Delhi, Shri Ram College of Commerce (SRCC) in New Delhi, MIET Meerut, IFTM University Moradabad, Mewar University, Balaji Group of Institutions Narsampet, Cambridge Institute of Technology Ranchi, Aligarh Muslim University (AMU), Sharda University in Greater Noida, BULMIN in New Delhi, Maharaja Surajmal Institute in New Delhi, Mahendra Girls Inter College in Agra, and IFTM University in Moradabad.

For the students of these institutes, we conducted workshops focusing on two key areas: "How to Start a Business" and "Building Your Professional Effectiveness".

Our knowledge partners at Sleepwell Foundation Skill Development Centre, Khurja are NIT Foundation, MasterG & Daughters, Delhi Paramedical & Management Institute - DPMI, and Staago.

Protection of Art and Culture



In an endeavour to protect the art and culture Sheela Foam Limited joined hands with Teamwork, the organisers of Jaipur Literature Festival - JLF, to organise "The Sacred, Amritsar" to give a tribute to the spirit of Amritsar, a city known for its indomitable spirit, its profoundly intellectual character, chequered history and rich and diverse cultural heritage.

The festival was designed to promote and protect Art and Culture through performance in the field of music, poetry, and heritage by about 45 artists. In the festival various artists enthralled the audience with their diverse and inspiring performances. More than 100 delegates attended the event, and there was a footfall of over 1,000 people at the venue. Further it reached out to an audience of 108 million people through different media channels. Through the event, new talents were promoted & renowned artists motivated the youth across the country.

CSR Initiatives Near Our Plants

In the fiscal year 2022-23, we undertook several CSR initiatives in the vicinity of our plants. These were designed to enhance amenities and infrastructure within local schools and villages, benefiting thousands of people. The initiatives include:



1) Near our Jabalpur plant, we constructed toilet blocks for a co-ed school.

2) Near our Kala Amb (H.P.) plant, we donated two rod-making machines to a Village Community Centre.



3) In proximity to our Talwada plant, we built a prayer hall in a school.

4) Close to our Jalpalpur plant, we constructed the approach road for Jhanju Para Primary School, renovated their school building, and donated desks for classrooms.



5) Near our plant in Hyderabad, we are currently constructing a toilet block in a school.

Digital Presence

Embracing the rise of social media and digital technologies, particularly within rural, semi-urban, and underprivileged communities, forms a core part of our approach.

The rapid growth in internet consumption among the youth significantly shapes our strategy. In our CSR initiatives, we prioritize digital inclusion and harness the power of technology to create a more substantial societal impact.



Underlying message of our CSR

Proactive Emotional Wellness is crucial for society. Lost productivity as a result of two of the most common emotional and mental disorders, anxiety and depression, costs the global economy US\$ 1 trillion each year.

Yet, despite substantial advances in research, demonstrating the clinical and cost-effectiveness of pharmacological and psychosocial interventions to prevent and treat common emotional issues, delivery at scale and translation into real-world benefits has been slow. One key area that restricts its propagation is lack of awareness for proactive emotional wellbeing.

Sheela Foam Limited, through Sleepwell Foundation, is leading efforts to raise awareness and promote Proactive Emotional Wellness. We urge all stakeholders to embrace proactive emotional wellbeing and become ambassadors, spreading the mission to benefit a large section of society. Together, we can make a profound impact on humanity.

Board of Directors



Rahul Gautam
Chairman & Managing Director

He has been associated with our Company since 1971 and has been our Managing Director since 1 April 1996. He holds a Bachelor's degree in Technology - Chemical Engineering from the Indian Institute of Technology, Kanpur, and a Master's degree in Science - Chemical Engineering from the Polytechnic Institute of New York. He has over 46 years of experience in the home comfort products and PU foam industry and is the Chairman Emeritus of the Indian Polyurethane Association.



Namita Gautam
Whole-Time Director

She has been associated with our Group for the past 34 years and has been a Whole-Time Director of our Company since 14 November 2003. During her tenure, she has headed the Human Resources, Marketing, and Projects departments of the Company. She currently leads our CSR initiative through the Sleepwell Foundation and heads Special Projects. She holds a bachelor's degree in Law and a master's degree in Economics from Kanpur University.



Som Mittal
Independent Director

He has been associated with the Company since 7 June 2016. He holds a bachelor's degree in Metallurgical Engineering from the Indian Institute of Technology, Kanpur, and a post-graduate diploma in Business Administration from the Indian Institute of Management, Ahmedabad. He has several years of experience in the manufacturing and information technology sectors.



Ravindra Dhariwal
Independent Director

He has been associated with our Company since 7 June 2016. He holds a bachelor's degree in Chemical Engineering from the Indian Institute of Technology, Kanpur, and a postgraduate diploma in Management from the Indian Institute of Management, Calcutta. He was the Group CEO of Bennett & Coleman, India's largest media company. He has vast experience in the fields of Sales and Marketing Management.



Anil Tandon
Independent Director

He has been associated with our Company since 7 June 2016. He is holding a bachelor's degree of Technology in Electrical Engineering from the Indian Institute of Technology, Kanpur and a Post-graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. Since 1995, he has been the Managing Director of Tex Corp Pvt Ltd, a leading organisation in the field of fastening products. He has several years of national and international experience in the zip-fastening products sector.



Rakesh Chahar
Whole-Time Director

He has been associated with our Company since 1 November 1990 and has been a Whole-Time Director since 14 November 2003. He has more than 31 years of experience in the business of selling and marketing bedding products and polyurethane foam. He heads the Sales and Marketing function.



Tushaar Gautam
Whole-Time Director

He has been associated with our Company since 7 January 2002 and has been a Whole-Time Director since 1 April 2007. He also served as CEO of Indian Operation. He holds a bachelor's degree from Purdue University, USA, where his courses of study included Financial, Marketing, and Operations Management. He oversees the operations of the Company and our subsidiary Joyce Foam Pvt Ltd and Interplus Spain and serves on their Board of Directors. He has more than 20 years of experience in heading Production, Research and Development.



Lt Gen (Dr.) Vijay Kumar Ahluwalia
Independent Director

He has been associated with our Company since 5 March 2018. He is holding a master's degree in Defence Studies and Management from Madras University, M. Phil in Defence Studies from Indore University and PhD in Management - Internal Security and Conflict Resolution from Amity University, Noida. He has several years of experience in the Defence Services. He also served as a Judge of the Armed Force Tribunal and as Director-General of Raffles Group of Institutions, Raffles University, Neemrana, Rajasthan.



Meena Jagtiani
Independent Director

She is an MBA from the Symbiosis Institute of Business Management and has done an Executive Development Programme from Wharton Business School, University of Pennsylvania. At present, she is working as an independent HR advisor. She has three decades of rich industry experience in the field of HR. She served in various corporate houses such as the Aditya Birla Group, Daksh e-Services Private Limited, and Korn Ferry International, the world's leading search firm before taking her role as an independent Advisor.

Awards and recognition

Great Place To Work Certified
March 2023 - March 2024
INDIA

Dear Colleagues,

We are incredibly proud to receive the Great Place To Work certification for the 4th time in a row! This is a sheer reflection of our commitment to build a workplace culture that focuses on high standards of employee engagement, happiness & trust.

A big thank you to the entire team for creating & sustaining a High-Trust, High-Performance Culture. It is a testimony of our collective efforts, goals & dedication. At Sheela Foam, we believe in the most important asset of the organization, and are happy to see that these aspects, through progress & contribution over the years are paying off!

We are delighted that we have been consistently ranked for fourth consecutive year. As we continue to grow, the feedback our people provide goes to our core.

Best wishes,
Rahul Gautam

We received the 'Great Place To Work' certification for the 4th time in a row. This is a sheer reflection of our commitment to build a workplace culture that focuses on high standards of employee engagement, happiness & trust.



Mr Mahesh Gopalsamudram, COO, has made into the list of the top 200 COOs in India 2023. He has an Impeccable track record as a leader with integrity, vision and strategic approach combined with strong execution and people skills.

Mr. Shonik Goyal (H.O. O. of Supply Chain Department of Sheela Foam Limited) has been awarded as a "Outstanding Supply Chain Leader" for Consumer Durables by Institute of Supply Chain Management (ISCM). He has an impeccable record of managing the Logistics and Supply Chain.

Corporate Information

Board of Directors

Executive Directors

Rahul Gautam
Namita Gautam
Rakesh Chahar
Tushaar Gautam

Chair-Executive
Independent Directors

Som Mittal
Ravindra Dhariwal
Anil Tandon
Lt Gen (Dr.) V K Ahluwalia
Meena Jagtiani

CEO (India Business)

Nilesh Mazumdar

Group CFO

Amit Kumar Gupta

Company Secretary

Md Iqbal Ahmad

Auditors

M S K A & Associates

Bankers

Yes Bank Limited
Citi Bank
Kotak Mahindra Bank

Registered Office

604 Asha Deep, 9 Hailey Road
New Delhi - 110001, India
Telephone - +91 11 22026875

Head Office

#14, Sector 135,
Noida - 201301
Uttar Pradesh, India
E-mail - investorrelation@sheelafoam.com

Registrar of the Company

Link Intime India Private Limited
Noble Heights, First Floor, Plot NH2
C-1 Block LSC, Near Savitri Market
Janakpuri, New Delhi - 110058
Telephone - +91 11 - 41410592, 93, 94
E-mail - delhi@linkintime.co.in
Website - www.linkintime.co.in

Management Discussion & Analysis

Economic overview

Global economy

Global economies faced significant headwinds in 2022 in the wake of mounting inflationary pressures and geopolitical conflict in Europe. The sustained rise in interest rates by Central Banks to combat inflation and the ongoing geopolitical crisis in Europe are exacting a heavy toll on the economy.

The sudden surge of COVID in China dented growth prospects in 2022. However, the recent reopening has set the stage for a faster-than-anticipated recovery. Another positive aspect is the fact that global inflation is likely to fall from 8.8% in 2022 to 6.6% in 2023 and 4.3% in 2024 [Source: IMF World Economic Outlook, January 2023].

Emerging market economies are projected to grow by 4.5% in 2023, compared to 1.1% for advanced economies [Source: IMF World Economic Outlook, April 2023]. The emerging markets and developing economies of the world are expected to be instrumental in accelerating global economic growth in the years ahead. In addition, certain industries, such as technology and e-commerce, have experienced significant growth during the pandemic and are expected to continue to do so in the coming years.

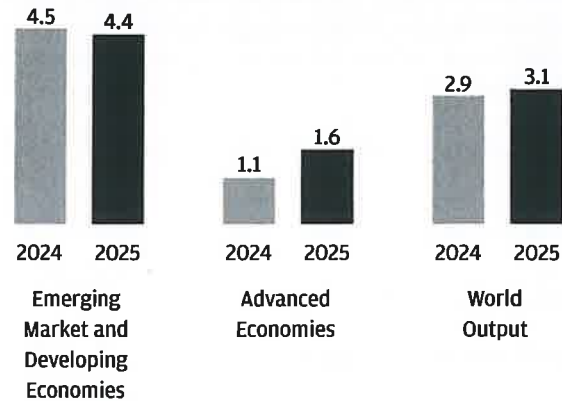
Outlook

Demographic trends and rising middle-class consumption are most likely to contribute to the rapid growth of the EMDEs. Many emerging market economies have young populations that are joining the workforce and contributing to economic growth. In addition, faster urbanisation is leading to a greater demand for housing, infrastructure and consumer goods.

There is potential for further innovation and technological advancement that could fuel the economy's recovery. The pandemic has accelerated digital transformation across many industries, which could lead to enhanced productivity and efficiency in the upcoming years.

A stronger boost from pent-up demand in numerous economies or a faster fall in inflation is likely in the course of 2023. The governments and central banks of the world are expected to play a major role in accelerating economic growth through targeted, need-based measures. [Source: IMF World Economic Outlook, January 2023]

Estimated World Growth Rates

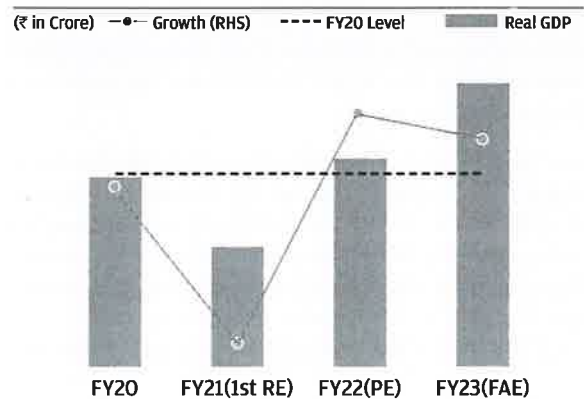


(source: IMF'S World Economic Outlook, April 2023)

Indian economy

Notwithstanding the global gloomy outlook, India's economic activity has been robust on the back of a conducive domestic policy environment and the Government's sustained focus on structural reforms. Owing to its strong macroeconomic fundamentals, the Indian economy is in a sweet spot to grow at 7% in FY 2022-23 [Source: NSO, second advance estimates].

A combination of rising disposable income, coupled with the easy availability of credit and lowering interest rates in the wake of a stabilising inflation trajectory will bode well for the domestic economy's growth in the years ahead.



(Source- NSO, MoSPI)

<https://www.indiabudget.gov.in/economicsurvey/doc/eschapter/echap01.pdf>

Outlook

There are several reasons to be bullish about India's economy in FY 2023. With robust consumer demand and an improved balance sheet of the private sector, the domestic economy's outlook appears cautiously optimistic. High-frequency data indicates that the manufacturing PMI in December 2022 rose to the highest levels in over two years, which augurs well for fresh investment activity in the sector. Despite the challenges, India's economy has strong domestic drivers that can help it register strong growth 2023 onwards.¹

According to the IMF, India and China will contribute over 50% of global growth in FY 2023.

Industry overview

Health and wellness industry

India's health and wellness market is expected to expand at a CAGR of 5.55% during 2023-2028. With an increased focus on fitness, wellness, nutrition, personal care, weight management, mindfulness and preventive medicine, the health and wellness industry in India is gaining traction. Apart from this, higher incidences of chronic lifestyle diseases, stress and other ailments, as well as advancements in the medical field, including predictive genetic testing, are escalating the demand for health and wellness products across the country. Other factors contributing to the market's positive outlook include a rising number of sports and fitness training centres, greater reliance on healing practices such as naturopathy and the rapid growth of health tourism.²

India's mattress industry

There are many branded and unbranded players producing a wide range of mattresses through local distribution channels in India's fragmented mattress market. The unorganised sector dominates the country's mattress industry and has a major share of the Indian mattress market. Mattresses from this unorganised sector usually use cotton filler, as it is the cheapest of the many options that are now available.

An increasing number of residential units is propelling the demand for mattresses all over the country. Residential consumers accounted for the bulk of the share, while the remaining was shared by institutional customers, which include hotels, hospitals and educational institutions. Among the different sizes available, king-size mattresses are the most preferred and comfort is the most crucial factor that determines their dominance in the market.³

Residential consumers accounted for 80% of India's mattress market, while 20% was constituted by institutional customers.⁴

Strategic growth drivers

- **Work from home (WFH) culture**

Following the pandemic, there have been several changes in the way people live and work. These have created the need to 'allocate' a space inside houses for 'office work'. This trend has played out across homes, irrespective of their sizes and has increased the requirement for mattresses.

- **Increasing awareness**

Greater consumer awareness of the significance of quality sleep and the crucial function that a decent mattress can play for achieving it is one of the main growth enablers for India's mattress market.

- **Online sales and distribution**

The growth of e-commerce has opened up new avenues for the country's mattress industry. Manufacturers can leverage online sales and distribution channels to reach a wider audience and expand their customer base.

- **Infrastructure development**

The growth of the Indian mattress industry is also dependent on infrastructure development, including the availability of raw materials, skilled labour and transportation.

- **Growth in the real estate and hospitality sectors**

According to the Union Budget for 2022-23, 80 lakh houses will be built for the identified eligible beneficiaries of the PM Awas Yojana, in both rural and urban regions. A sum of ₹ 48,000 crore has been allocated for this purpose. The real estate sector in India is expected to reach USD 1 trillion in market size by 2030 and contribute 18 to 20 % to the country's GDP.⁵ Retail, hospitality and commercial real estate are also growing significantly, providing much-needed infrastructure for India's rising needs. Demand for mattresses is high because both residential and institutional sectors are growing in India with greater awareness regarding mattress types and brands.

¹ <https://www2.deloitte.com/us/en/insights/economy/asia-pacific/india-economic-outlook.html>

² <https://www.imarcgroup.com/health-and-wellness-market-india>

³ <https://www.mordorintelligence.com/industry-reports/india-mattress-market>

⁴ <https://www.mordorintelligence.com/industry-reports/india-mattress-market>

⁵ <https://economictimes.indiatimes.com/news/economy/finance/real-estate-sector-to-touch-1-trillion-by-2030-kant/articleshow/87209359.cms?from=mdr>

Changing consumer preferences

- Higher income

Mattresses are no longer considered mere consumer durables. They are now regarded as an indicator of quality of life. With increasing income, there are high chances that consumers will shift towards the purchase of premium mattresses.

- **Increasing health consciousness**

As people are now more aware of the benefits of high-quality mattresses for enhanced comfort and sleep, this is augmenting the demand for premium products.

- **Greater awareness about brands**

Consumer now prefer innovative and branded mattresses owing to changing lifestyles and enhanced digital literacy.

Organised mattress industry

The organised sector is now growing with the rising demand for good-quality mattresses among Indian consumers. The organised mattress market is further classified into PU foam, Rubberised Coir, Spring Mattresses and other types.

The organised mattress industry is increasingly investing in research and development with the aim of creating new and innovative mattresses that cater to specific customer needs. Additionally, there is an growing trend towards customisation, with companies selling custom mattresses made to fit specific body shapes and preferences. Customers are willing to spend more for a comfortable and customised sleeping experience, which is why these products are gaining more popularity.

Distribution platforms

Organised players offer mattresses through two mediums: offline and online. The trade through online sales in the organised mattress industry is gaining pace because more consumers now opt for online shopping. This has led to the online market developing at a faster rate as compared to the offline market. Several new trends are expected to emerge in the mattress industry in the upcoming years, whereby the demand for customised and luxury mattresses is expected to increase⁶.

A visible shift has been observed in the consumers' perspective, where the main focus is on the comfort and functionality of the product.

India's Flexible PU Foam Industry

Polyurethane foam is a widely used polymer that is available in two forms, i.e., flexible foam and rigid foam. Rigid polyurethane foams are utilised for numerous insulation applications pertaining to construction and refrigeration. Flexible polyurethane foams are particularly used as a cushioning substance in various end-use industries such as furniture, packaging, transportation, bedding, automotive interiors and carpet underlay. The use of flexible polyurethane foam is becoming popular as it can be customised in almost any shape and variety. These flexible foams are also durable, light, comfortable and supportive.

Polyurethane foams exhibit clean incineration and high recyclability for reduced waste, pollutant filtration and greater sustainability. The penetration of polyurethane foams is anticipated to rise owing to properties such as superior insulation that make them ideal for walls and roofs in new homes.

Applications of polyurethane foams in electric vehicles (EVs) are more than the normal vehicle i.e. new applications. As governments invest to incentivise EV usage, increasing the production of EVs in the future would also drive demand for PU foams in the upcoming years.

Asia-Pacific is anticipated to be the fastest-growing market for polyurethane foam. Factors such as rising demand for polyurethane foams from various end-user industries and the enlarging footprint of the global players in polyurethane foams are likely to facilitate the polyurethane foam market's growth. Government support in the form of subsidies and tax incentives is expected to encourage the manufacturing sector in countries such as India and China, which is further expected to promote bio-based polyurethane to replace conventional polymers⁷.

Opportunities and threats

Opportunities

- **Product differentiation**

Differentiated products such as new materials, designs and features that provide superior comfort and support are likely to attract a huge customer base with differentiated needs.

- **E-commerce**

The growth of e-commerce platforms offers a wider reach, as there is a growing market of consumers who may prefer to shop online for multiple reasons.

- **Export potential**

Indian industry offers competitive prices and hence, can expand into global markets. Asia-Pacific is expected to be the fastest-growing market.

⁶ <https://www.mordorintelligence.com/industry-reports/india-mattress-market>

⁷ <https://www.precedenceresearch.com/polyurethane-foam-market>

- **Rural market**

One of the most significant opportunities for the mattress industry is in rural India with its large and growing population. The majority of India's population lives in rural areas signifying a huge potential for the industry. As incomes have risen, rural consumers have begun to demand more comfortable and hygienic high-quality mattresses. The industry in rural India is still in its early stages of development, however, there is a lot of potential for growth.

Threats

- **Transportation and warehousing**

The fact that PU foam and mattresses are voluminous in nature makes warehousing and transportation difficult. Long-distance transportation is impractical due to the high expenses required.

- **Raw material prices**

The cost of raw materials, including foam, cotton and latex, can significantly impact manufacturers' profitability. Volatility in raw material prices can lead to higher costs that are difficult to pass on to customers.

- **Economic instability**

Economic instability, such as inflation, recession, or changes in government policies, can adversely affect India's mattress industry. This can lead to reduced consumer spending, lower demand and decreased profits.

- **Counterfeit products**

The proliferation of counterfeit products poses a key threat to the mattress industry in India. These products may be of inferior quality, which can damage the reputation of legitimate manufacturers and affect consumer trust.

COMPANY OVERVIEW

Established in 1971, Sheela Foam Ltd. has been at the forefront of the foam-based product industry in India for over 50 years. The Company's unwavering commitment to quality, innovation and sustainability has helped it establish itself as a leading brand in the industry. Sheela Foam's diverse product portfolio caters to the needs of various industries, including home furnishings, automotive, healthcare and more. The Company's products, including technical-grade PU foam, are renowned for their superior quality and find diverse applications in various sectors.

The Company's operations are supported by a dynamic management team, a recognised brand, cutting-edge manufacturing facilities, a sizable distribution network and ground-breaking research and development capabilities. To offer its customers the utmost comfort and convenience, the Company creates items of unparalleled quality based on shifting customer preferences. The Company's core strength is its dedicated and highly competent talent pool, which enables it to manufacture distinctive, top-of-the-line goods using state-of-the-

art technologies. As a responsible corporate citizen, Sheela Foam has implemented various initiatives to lower its carbon footprint and promote eco-friendly practices across its operations.

Product portfolio

Mattresses segment

Foam Mattress, Spring Range, Technology Range, Comfort Cell Range, Back Support Range, Flexi PUF Range, Showroom Range, Economy Range, SleepX Online Brand

Technical foam

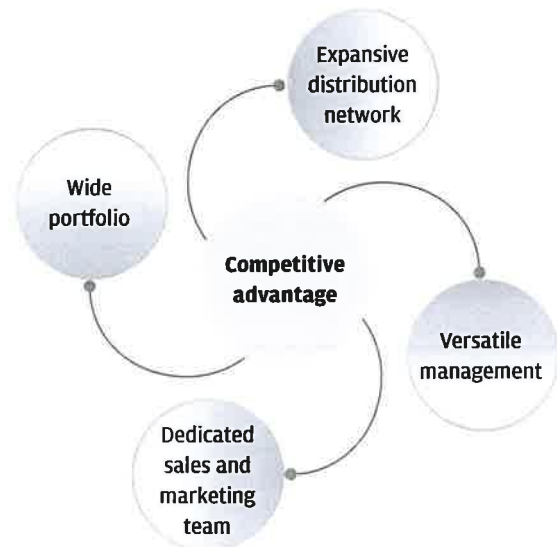
Automotive Foams, Reticulated Foams, UltraViolet Stable Foams and Silentech Foams

Furniture foam

Sleepwell Resitec, Sleepwell Cool Gel and Primo

Comfort foam and home care products

Foam Sheets, Foam Blocks, Comfort Range accessories, Foam Cores, Furniture Cushions, Pillows, Bedsheets, Comforters/Blankets, Mattress Protectors, Sofa-cum-Beds



Manufacturing prowess

The Company has 17 manufacturing facilities spread across India, Australia and Spain. It produces cutting-edge products that offer the ideal balance of support and comfort. The Company exhibits outstanding capabilities in high-quality production and technological advancements.

To better serve its customers, and to expand its global market share the Company established new facilities in strategic locations in Australia and India, which would help it to produce and distribute its products more efficiently, reducing lead times and transportation costs. The Company's wholly-owned subsidiary, International Comfort Technologies (ICTPL), will be responsible for overseeing the operations of these state-of-the-art facilities.

The Australian facility, strategically located in five places have 11,000 MT per year. The Indian facilities, located in Jabalpur and Nandigram, is under our wholly owned subsidiary, International Comfort Technologies Pvt Ltd.

This expansion is a testament to the Company's dedication to providing its customers with the best products at competitive prices. It is confident that these new facilities will be a major success and help it to further establish itself as a leader in the industry.

Creating futuristic brands

The Company has a flawless track record of creating individualised products that cater to changing customer needs. The Company's flagship brand, Sleepwell, has developed a strong reputation over the years. Feather Foam and Starlite are two other brands owned by the Company that offer inexpensive mattresses to consumers. The Company's market share in the organised mattress market has increased owing to these products.

Technological innovations at Sleepwell

Variable Pressure Foaming (VPF)

The Company is a pioneer of the world's most environmentally friendly method of foam manufacture, variable pressure vertical foaming (VPVF). Variable Pressure Foaming (VPF) is a rapidly growing technology and is a proven way to improve the environmental performance, quality, and efficiency of foam production and contribute to overall sustainability. The Company will be commissioning a VPF machine in its Jabalpur facility which is a sign of the Company's commitment to sustainability and innovation. It will help Sheela Foam to improve its environmental performance and the quality of its products.

Benefits of VPF

- 1 Eliminates hazardous air pollutants
- 2 Produces negligible Volatile Organic Compounds (VOCs)
- 3 Produces a more consistent and dense foam
- 4 Uses raw materials efficiently
- 5 Reduced energy consumption
- 6 Increased production capacity
- 7 Reduced waste and improved worker safety

Joyce Foam Products

Joyce Foam, Australia, a wholly-owned subsidiary of the Sheela Group, has over 40% market share in Australia. It is Australia's one of the largest manufacturers of flexible open-cell polyurethane foams and serves a variety of markets, including bedding, furniture, medical, and specialised industrial applications. Joyce Foam has cemented its position as a leading manufacturer of flexible polyurethane foam in the region. The company prides itself on its state-of-the-art production centres, located in key cities such as Adelaide, Canberra, Melbourne, Perth, and Sydney, which are equipped with the latest technology and machinery for producing high-quality foam and mattress products.

Other initiatives

The Company has expanded its retail network to reach more customers and improve its brand presence. It has increased the number of its Multi Bran Outlets MBOs and has expanded its dealer network which has allowed it to reach a wide range of customers and sell its products in a variety of locations. It has a network of **over 115 exclusive distributors**, approximately **5,700 exclusive dealers**, and approximately **7,600 multi-brand outlets**.

115+
Exclusive distributors

5,700
Exclusive dealers

7,600
Multi-brand outlets

Online sales

The Company has witnessed an increase in its online sales in FY23, with a striking 24% growth. Also, online sales now account for a considerable 8% of the company's total sales volume.

24%
Increase in online sales

Marketing Initiatives

BTL Marketing

Sheela Foam has been consistently expanding its below-the-line (BTL) marketing efforts for its legacy brands such as Sleepwell and Feather Foam. This includes activities such as in-store promotions, product demonstrations and direct mail campaigns that help the Company reach out to customers personally.

E-commerce marketing

The Company has been revamping its e-commerce marketing efforts by using content marketing to cater to the urban population. For instance, Sleep X, the e-commerce brand from Sheela Foam, has launched a wide collection of durable, high-quality mattresses for enhanced back support and comfort, considering the changing buying habits and lifestyles of the youth.

Product launches

Sheela Foam regularly introduces new products that cater to evolving customer needs and preferences. For instance, the Company recently launched a range of premium mattresses under its flagship brand, Sleepwell, that offer superior comfort and support.

Digital marketing

The Company has a strong online presence through its website, social media pages and e-commerce platforms. It leverages these channels to engage with customers through targeted advertising campaigns, influencer partnerships and interactive content.

Promotional activities

Sheela Foam engages in various promotional activities such as advertising campaigns on TV and print media, sponsorships of sports events, including IPL cricket matches and marathons, along with participation in trade shows to raise brand awareness and drive sales.

Financial overview

In FY23, the Company's net revenue from operations on a standalone basis was ₹ 2,019.82 crore as compared to ₹ 2,008.21 crore in FY22. Profit after tax for the current year was ₹ 194.86 crore in contrast to ₹ 197.31 crore in FY22. Net revenue from operations in Australia was AUD 79.56 million as compared to AUD 77.56 million in the previous year. The net profit after tax was AUD 0.94 million as compared to AUD 2.66 million in FY22. The net revenue from operations in Spain was Euro 47.21 million as compared to Euro 51.18 million in FY22. The net profit after tax was Euro 2.89 million as compared to Euro 2.19 million in FY22. On a consolidated basis, net revenue from operations stood at ₹ 2,873.32 crore as compared to ₹ 2,865.58 crore in the previous year. Consolidated net profit after tax decreased to ₹ 203.06 crore from ₹ 218.73 crore registered in FY22.

Key Financial Ratios Standalone Operation according to the SEBI Listing Obligations and Disclosure Requirements (Amendment) Regulations, 2018

| | 2022-23 | 2021-22 |
|------------------------------------|---------|---------|
| Debtors Turnover (in times) | 13.46 | 13.43 |
| Inventory Turnover (in times) | 6.70 | 6.32 |
| Interest Coverage Ratio (in times) | 37.30 | 38.32 |
| Current Ratio (in times) | 3.11 | 1.54 |
| Debt Equity Ratio (in times) | 0.01 | 0.02 |
| Operating Profit Margin (%) | 9.33 | 10.03 |
| Net Profit Margin (%) | 10.00 | 10.00 |
| Return on Net Worth (RONW) (%) | 18.45 | 21.07 |

Growth strategy and outlook

Improving branding and product development initiatives

The Company's budget mattresses, Starlite and Feather Foam, offer sufficient growth potential for development in the rural retail sector. It concentrates on increasing investments in brand-building initiatives to improve distribution and retail networks, brand recognition and customer recall. To sell more products, it also plans to introduce products at competitive prices.

Boosting e-commerce penetration

The Company has been using an e-commerce platform to sell mattresses and related goods. It lists its products on well-known e-commerce platforms in addition to using its own website to promote sales and display its product line-up. With wider e-commerce penetration, it aims to bolster both its top-line and bottom-line performance.

Catering to changing customer needs

The Company is dedicated to creating personalised products that cater to different customer needs. Its broad range of products, technological expertise and strong manufacturing skills enable it to produce high-quality, higher-margin items, including more refined grades of technical PU foam.

Strengthening distribution and exports

The Company continues to market its low-cost items in rural areas while working to strengthen its domestic retail footprint. The Company will be able to expand its reach and meet the demand for affordable products owing to increased infrastructure development and growing distribution channels in newer geographies. Additionally, it focuses on enhancing its export business through the development of new products and technologies, the increase of capacity in overseas subsidiaries and so on.

Suburban penetration

The Company is committed to providing its customers with a convenient and enjoyable shopping experience. It has a number of strategies in place to penetrate the suburban market like expanding its retail network by opening new brand outlets, partnering with local retailers in suburban areas, promoting its products online through a variety of channels including website and social media, and offering financing options like instalments. Sheela Foam is well-positioned to penetrate the suburban market.

Risks and mitigation measures

| Risks | Mitigation |
|---|---|
| <p>Macroeconomic Risk</p> <p>The Company's operations may be impacted by recent COVID variants and associated restrictions, a slowdown in economic growth, along with end-user industries including the housing, hospitality and automobile sectors.</p> | <ul style="list-style-type: none"> Favourable government reforms and rising infrastructure development spending are all anticipated to revive the economy's growth. To shield the economy against the pandemic's negative impact and improve consumer confidence, the Government and key financial institutions have implemented several reform measures. Rapid urbanisation, rising income levels and consumer demand for high-end, luxury goods and services are major factors driving the demand in the organised mattress market. The Company's subsidiaries in Spain and Australia enable it to foray into foreign markets and reduce its dependence on the Indian economy. |
| <p>Competition Risk</p> <p>Due to appealing expansion potential, the sector is facing rivalry from a growing number of organised mattress market competitors. Loss of market share could result from an inability to provide high-quality, personalised products to satisfy changing client needs.</p> | <ul style="list-style-type: none"> By creating comfortable and high-quality mattresses and home comfort products, the Company has become a well-known and dependable name in the industry. Its flagship brand, Sleepwell enjoys high levels of consumer satisfaction and dependability. Increased spending on R&D and innovative technologies enables the Company to create high-end, cutting-edge products. Additionally, the Company's activities are supported by cutting-edge production machinery and inventive shop floor practices that offer a significant operational advantage. The Company's mission is to provide premium mattresses developed using innovative initiatives such as Comfort Cell and Neem Fresche. Furthermore, the Company is able to drive sales of its products because of its extensive distribution network. With its wide variety of affordable mattresses, the Company focuses on serving specific niche markets. It supports the Company in retaining its position as the unorganised sector's market leader. The Company extensively focuses on pioneering state of the art technologies like VPF which results in improved product quality and reduced costs. |

Risks

Mitigation

Inventory Risk

High inventory build-up due to unsuccessful marketing and selling of products may pose a challenge to the Company's operations.

- The Company assures balanced and orderly sales through its extensive distribution network, which includes more than 115 exclusive distributors, 13,300 retail dealers, 7,500 multi-brand and 5,700 exclusive brand outlets.
- The Company relies on its strong brand recognition and continuously makes prudent branding and advertising expenditures to strengthen its presence across a range of media.
- With the aid of an efficient IT infrastructure and inventory management, the Company guarantees effective product delivery. The system guarantees real-time inventory control and prompt delivery of the goods.

Raw Material Risk

The smooth and continuous supply of raw materials is essential to the Company's operations and any interruptions could have a negative influence on the creation of high-quality products. Imported raw materials, currency and exchange rate variations could potentially have an effect on profit margins.

- Key raw ingredients (Polyol and TDI) are purchased in bulk by the Company at cost-effective prices.
- It achieves a balance between importing raw materials and buying them locally.
- The Company is able to obtain raw materials at the best prices because of its solid and established relationships.
- By ensuring raw materials availability to meet market demand, it lowers the chance of an unexpected raw material shortfall.

Counterfeiting Risk

Another important challenge is the inability of the Company to resolve product counterfeiting and quality issues, which may result in loss of customer trust and sales, thereby damaging the Company's brand name.

- Continued investments towards introduction of Unique Serial Number/marks/label/hologram/hot stamp, and so on, in mattresses enables the Company to check genuine products
- The Company periodically checks the market to track and avoid sales of fraudulent and counterfeit products.

E-commerce Risk

Globally and in India, consumer preferences have fundamentally changed as a result of the pandemic, favouring quick adoption of technology, online shopping, enhanced comfort and convenience at home, etc. Its business and market share may suffer if the Company is unable to use digitisation and technology to keep up with the changing trends.

- The Company offers its SleepX product on its own website as well as prominent e-commerce platforms such as Amazon, Flipkart and others.
- The Company is focused on integrating retail and online sales to offer clients a seamless purchasing experience across all channels.

Internal controls

The Company's internal control framework centres on strong governance, a vigilant finance function and independent internal reviews. Risk evaluation exercises prioritise risks facing the business based on which strategies are formulated. The Audit Committee periodically reviews and takes suitable action for any deviation, observation or recommendation suggested by the internal auditors. The Company strives to follow the best practices in corporate governance. Well-documented policies and procedures enable it to strictly adhere to all applicable procedures, laws, rules and statutes. The Company's robust IT systems safeguard its sensitive data and ease the audit process. Accounting standards are strictly followed while recording transactions. A host of strategies are devised, in addition to robust MIS systems, for real-time reporting so as to control expenses. Any variance from budgetary allocation is promptly reported and corrected to ensure strict compliance.

Human resources

The development and success of an organisation depend heavily on its human resources. The Company's professional and experienced workforce ensures business continuity and develops strategies and procedures to adapt to a changing business environment. To increase individual and organisational productivity, the Company organises several human resource programmes. It promotes a secure and beneficial work environment and guarantees that everyone has equal access to opportunities for professional progression. These

programmes help the Company recruit and keep the best people while enhancing employee satisfaction and productivity.

The Company has received approval from the stock exchanges for its Employee Stock Option Plan (ESOP) scheme which is further expected to form a key part of the Company's HR strategy. The Company believes that the ESOP scheme will be a valuable tool for attracting and retaining top talent.

2,747
Total employee strength

Cautionary statement

The statements in the Management Discussion and Analysis Report that describe your Company's projections, estimates and expectations are "forward-looking statements". They are within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied depending on the economic conditions affecting demand and supply, the price scenario in the domestic and international markets in which it operates, changes in government regulations, tax laws and other statutes. Your Company undertakes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events.

Directors' Report

Dear Members,

Your Directors' have pleasure in presenting the 51st Annual Report on the business, operations and financial performance of the Company along with the Consolidated Audited Balance Sheet and Statement of Profit & Loss for the year ended 31st March, 2023.

FINANCIAL INFORMATION

(₹ in Crores)

| Particulars | Consolidated | | Standalone | |
|---|---------------|---------------|---------------|---------------|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| Revenue from operations | 2,873.32 | 2,865.58 | 2,019.82 | 2,008.21 |
| Profit before Financial Charges, Depreciation & Tax | 383.77 | 394.11 | 300.80 | 304.06 |
| Less: Financial Charges | 21.07 | 16.97 | 6.37 | 7.11 |
| Cash Profit | 362.70 | 377.14 | 294.43 | 296.95 |
| Less: Depreciation | 89.62 | 80.78 | 33.76 | 32.39 |
| Profit before Tax | 273.08 | 296.36 | 260.67 | 264.56 |
| Add/(Less): Income Tax & Earlier year's tax | (77.98) | (83.09) | (67.45) | (70.32) |
| Add/(Less): Deferred Tax | 7.96 | 5.46 | 1.64 | 3.07 |
| Profit after Tax | 203.06 | 218.73 | 194.86 | 197.31 |
| Other Comprehensive Income | 12.51 | (1.85) | (3.84) | (1.16) |
| Total Comprehensive Income for the year | 215.57 | 216.88 | 191.02 | 196.15 |

During the current year, Net Revenue of the Company, on standalone basis, increased from ₹ 2008 Crores to ₹ 2020 Crores. The Profit after tax for the current year decreased marginally by 1.02% to ₹ 195 Crores as against the profit after tax of ₹ 197 Crores of last year.

On consolidated basis the overall Revenue increased from ₹ 2866 Crores to ₹ 2873 Crores. The consolidated profit after tax decreased from ₹ 219 Crores to ₹ 203 Crores.

DIVIDEND

Board of Directors do not recommend any dividend for the year 2022-23. The entire profit is being ploughed back in the business.

SUBSIDIARIES

As on 31st March, 2023 the Company has six subsidiaries and five steps down subsidiaries. As required under the provisions of Section 129 of the Companies Act, 2013, read with Companies (Accounts) Rule, 2013, a statement containing salient features of the financial statements of subsidiaries is provided in the prescribed format AOC-1 as Annexure-A of the Board Report.

Overseas Subsidiaries:-

The Company has one 100% subsidiary, Joyce Foam Pty. Ltd (Joyce Foam) in Australia. Joyce Foam is the largest producer of Foam in Australia and supplies its high-quality Foam to Global Mattresses and Furnishing Companies. Joyce Foam recorded a turnover of ₹ 438 Crore in FY 2022-23, as compared with ₹ 430 Crore in FY 2021-22, and has posted post tax profit of ₹ 5 Crore in FY 2022-23, as against ₹ 15 Crore in FY 2021-22.

Joyce Foam Pty Ltd has one wholly own subsidiary Joyce W C NSW Pty Ltd.

In addition, the Company has one more wholly owned overseas subsidiary, International Foam Technologies Spain, S.L.U. and a step-down subsidiary, Interplasp S.L.U. in Spain. International Foam Technologies Spain, S.L.U. recorded a turnover of ₹ 395 Crore in FY 2022-23, as compared with ₹ 430 Crore in FY 2021-22, and has posted post tax profit of ₹ 24 Crore in FY 2022-23, as against ₹ 18 Crore in FY 2021-22.

Indian Subsidiaries:-

Staqa World Private Limited (Staqa) is a wholly owned subsidiary. This company is into the business of Information Technology with initial footprints in this space in domestic and overseas market. During this year, the company has achieved a turnover of ₹ 23 crores with profit after tax of ₹ 2 Crores as against a turnover of ₹ 18 Crores with a profit after tax of ₹ 2 Crores in FY 2021-22.

International Comfort Technologies Pvt Ltd is a wholly owned subsidiary. This company is into the business of Manufacturing of Foam, Mattress & home comfort products. During this year, the company has achieved a turnover of ₹ 85 Crores with loss after tax of ₹ 20 Crores as against a turnover of ₹ 8 Crores with a loss after tax of ₹ 7 Crores in FY 2021-22.

Your Company has two other wholly owned subsidiaries as under which has no significant business:

- 1) Divya Software Solutions Private Limited
- 2) Sleepwell Enterprises Private Limited

MATERIAL SUBSIDIARIES

In accordance with Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (Listing Regulations), Joyce Foam Pty. Ltd (Joyce Foam) Australia and International Foam Technologies Spain, S.L.U. are material non-listed subsidiaries. The Company has formulated a policy for determining material subsidiaries. The policy has been uploaded on the website of the Company at <http://www.sheelafaam.com>.

AMALGAMATION OF WHOLLY OWNED SUBSIDIARIES WITH THE COMPANY

A joint application of amalgamation of International Comfort Technologies Private Limited, wholly owned subsidiary with Sheela Foam Limited was filed with the National Company Law Tribunal (NCLT) Delhi during the year under review. The application is accepted by the NCLT and is under process of amalgamation.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Section 136 of the Companies Act, 2013 and the applicable Accounting Standard on the Consolidated Financial Statements, your Directors have attached the consolidated financial statements of the Company which form a part of the Annual Report.

The financial statements including consolidated financial statements and the audited accounts of each of the subsidiary are available on the Company's website www.sheelafaam.com

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- b) The directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The directors have prepared the annual accounts on a going concern basis.
- e) The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

- f) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

In accordance with SEBI Regulations, a separate report on Corporate Governance is given in **Annexure-B** along with the Practicing Company Secretaries (PCS) Certificate on its compliance. The Practicing Company Secretaries (PCS) Certificate does not contain any qualification, reservation and adverse remark.

RELATED PARTIES TRANSACTIONS

The particulars of Contracts or arrangements with related parties, in the prescribed form, are attached as **Annexure-C**

RISK MANAGEMENT

The Company has formulated a Risk Management Policy duly reviewed by the Board of Directors. The policy includes risk identification, analysis and prioritization of risk and development of risk mitigation plans. The Company has constituted a Risk Management and ESG Committee to look into the risk involved with the Company and its mitigation.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate Internal Financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operations were observed. The report on the Internal Financial Control issued by M/s. M S K A & Associates, Chartered Accountants, Statutory Auditors of the Company in view of the provisions under the Companies Act, 2013 is given in their audit report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As per the provisions of the Companies Act, 2013, Mr. Rakesh Chahar will retire by rotation at the ensuing Annual General Meeting (AGM) of the Company and being eligible, seeks re-appointment. The Board has recommended his reappointment.

Mr. Vijay Kumar Chopra had retired from the office of Independent Director on 06th June, 2022 and Mr Nikhil Datye had resigned from the post of group CFO w.e.f 05th December, 2022.

AUDITORS

M/s M S K A & Associates, Chartered Accountants, appointed as the Statutory Auditor of the Company for the five consecutive financial years from 2021-22 to 2025-26 and they will hold office until the conclusion of the 54th Annual General Meeting of the Company to be held in the year 2026.

AUDITORS' REPORT

There is no adverse observation of Auditors' on financial statements of the company. The Auditors' Report, read with the relevant notes to accounts are self-explanatory and therefore does not require further explanation.

CONSOLIDATED FEES PAID TO STATUTORY AUDITORS

Detail of total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part, as mentioned in Note 43 of Consolidated Financial Statement published through annual reports for the Financial Year 2022-23, are as below:-

Consolidated

| Particulars | ₹ in Lakhs) | |
|---------------------------|---------------------------------|---------------------------------|
| | Year ended 31 March, 2023 | Year ended 31 March, 2022 |
| Audit Fees | 38.00 | 41.00 |
| Certification Work | 2.75 | 2.00 |
| Reimbursement of expenses | 1.95 | 1.00 |
| Total | 42.70 | 44.00 |

COST AUDITOR

As per section 148 read with Companies (Audit and Auditors) Rule, 2014 M/s Mahesh Singh & Co, Cost Accountants is appointed, to conduct the cost records of the Company, for the Financial Year 2022-23, by the Board of Directors.

Cost Auditor will provide its report to the Board of directors.

INTERNAL AUDITOR

During the year M/s PKF Sridhar Santhanam LLP, Chartered Accountants appointed as in place of M/s S. S. Kothari Mehta & Co. as the Internal Auditor and they will report to Board of Directors. The internal audit will help company to review the operational efficiency and assessing the internal controls. It also reviews the safeguarding of assets of the Company.

SECRETARIAL AUDITOR

The company had engaged M/s AVA Associates, Company Secretaries as Secretarial Auditor to conduct Secretarial audit for the year 2022-23. The report on secretarial audit is annexed as **Annexure-D** to the Directors' Report. The report does not contain any qualification, reservation or adverse remark.

CORPORATE SOCIAL RESPONSIBILITY(CSR)

In terms of Companies Act, 2013, your company has to undertake Corporate Social Responsibility programme. The disclosure as per Rule 9 of the Companies (Corporate Social Responsibility Policy) Rule, 2014 is attached as **Annexure-E**

AUDIT COMMITTEE

The composition of Audit Committee is provided in the Corporate Governance Report that forms part of this Directors' Report.

VIGIL MECHANISM

The Company has established a vigil mechanism through a Whistle Blower Policy. The Company can oversee the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who may express their concerns pursuant to this policy. The policy is uploaded on the website of the Company at <http://www.sheelaf foam.com>.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

The Company has in place an Anti-Sexual Harassment policy in line with the requirements of sexual harassment of women at Workplace (Prevention, Prohibition and Redressal) Act 2013. The Internal system has been set up to redress complaints received regarding sexual harassment.

MEETINGS OF THE BOARD

During the year, 7 meetings of the Board of Directors were held.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the Financial Statements.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

A. Following measures were taken by company for energy conservation in the year 22-23:

The disclosure related with energy is mentioned in the Business Responsibility & Sustainability Report (BRSR) forming part of Directors' Report.

- B. The expenses incurred on Research and Development have been included in BRSR Report annexed forming part of Directors' Report.
- C. The Company has introduced new process by establishing Variable Pressure Foaming Machine apart from other measure to reduce the consumption of energy and upgraded technology.
- D. The earnings from exports were ₹ 14.03 Crore (Previous Year ₹ 54.99 crores) and payments in foreign exchange were ₹ 164.05 Crore (Previous Year ₹ 183.81 crores).

LISTING AGREEMENTS

Your Company has entered into agreements with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), in compliance with Regulation 109 of the SEBI LODR Regulations 2015.

PARTICULARS OF EMPLOYEES

The information as required under Section 197 of the Companies Act 2013 read with Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in **Annexure-F** and **Annexure-G** to the Board's Report.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of provisions of Regulation 34 of the Listing Regulations, the Management's discussion and analysis is set out in this Annual Report.

PUBLIC DEPOSITS

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future.

BOARD EVALUATION MECHANISM

Pursuant to the provisions of Companies Act, 2013 and the Listing Regulations, the Board has carried out annual performance evaluation of its own performance, those of directors individually and of various committees.

The performance of individual directors was evaluated on parameters, such as, number of meetings attended, contribution in the growth and formulating the strategy of the Company,

independence of judgement, safeguarding the interest of the Company and minority shareholders, time devoted apart from attending the meetings of the Company, active participation in long term strategic planning, ability to contribute by introducing best practices to address business challenges ESG and risk etc. The directors expressed their satisfaction with the evaluation process.

BONUS SHARE

The company issued bonus shares in the ratio of 1:1 during the year under review.

DIVIDEND DISTRIBUTION POLICY

The company has adopted Dividend Distribution Policy and there is no change in policy during the year. As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the policy is hosted at our web site at www.sheelafoam.com and is also attached as **Annexure-H**.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT(BRSR)

Business Responsibility Report/Sustainability Report is annexed as **Annexure-I**.

ACKNOWLEDGEMENT

Your Directors wish to express and place on record their thanks to the Company's Distributors, Dealers and Business Associates for their excellent effort and the customers for their continued patronage of the Company's products. Your Directors also wish to place on record their appreciation for the devoted services of the Executive, Staff, and workers of the Company at all levels enabling the Company to achieve the excellent performance during the year.

Your Directors' also appreciate the valuable co-operation and continued support received from Company's bankers and all the government agencies and departments.

The Directors also express their sincere thanks to all the Shareholders for the continued support and trust they have reposed in the Management.

By Order and on behalf of the
Board of **Sheela Foam Limited**

(Rahul Gautam)

Chairman and Managing Director

Place: Noida

Date : May 17, 2023

Annexure-A

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/ Joint ventures

(₹ in Lakhs)

| Name of the subsidiary | Joyce Foam Pty Ltd | Divya Software Solutions Pvt Ltd | Sleepwell Enterprises Pvt Ltd | Staqo World Private Limited | International Foam Technologies Spain S.L | International Comfort Technologies Private Limited |
|---|----------------------------|----------------------------------|-------------------------------|-----------------------------|---|--|
| Place of incorporation | Australia | India | India | India | Spain | India |
| Date of incorporation / acquisition | 03-10-2005 | 19-04-2010 | 07-10-1994 | 26-03-2020 | 12-06-2019 | 01-10-2021 |
| Reporting period for the subsidiary concerned, if different from the holding company's reporting period | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | AUD AUD= INR 55.0228 | N.A. | N.A. | N.A. | EURO EURO= INR 89.6076 | N.A. |
| Share capital | 2373.38 | 9.46 | 1.05 | 1.00 | 9428.12 | 3000 |
| Reserves & surplus | 13725.97 | 5607.10 | 273.68 | 724.03 | 10119.94 | (2710.44) |
| Total assets | 41717.06 | 5625.66 | 286.69 | 1003.52 | 56905.69 | 25512.07 |
| Total Liabilities | 25618.26 | 9.09 | 11.96 | 278.49 | 37357.63 | 25222.51 |
| Investments | - | - | - | 510.27 | 27.27 | 10.59 |
| Turnover | 44938.28 | 196.55 | 10.00 | 2293.03 | 39675.85 | 8545.97 |
| Profit/(Loss) before taxation | 737.36 | (167.89) | 31.66 | 276.97 | 3024.28 | (2480.56) |
| Provision for taxation | 221.29 | (30.37) | 8.47 | 45.96 | 606.49 | (502.09) |
| Profit/(Loss) after taxation | 516.07 | (198.26) | 23.19 | 231.01 | 2417.79 | (1978.47) |
| Proposed Dividend | NIL | NIL | NIL | NIL | NIL | NIL |
| % of shareholding | 100% | 100% | 100% | 100% | 100% | 100% |

Note-

- Joyce Foam Pty Ltd, Divya Software Solutions Private Limited, Sleepwell Enterprises Private Limited, Staquo World Private Limited and International Foam Technologies Spain S.L. and International Comfort Technologies Private Limited are wholly owned subsidiaries of the Company.
- Joyce W C NSW Pty Ltd (Australia), Interplasp SIU (Spain), Staquo World KFT (Hungary), Staquo Inc USA & Staquo Technologies LLC (UAE) are step down subsidiaries.

Annexure- B

Corporate Governance Report

Our Corporate Governance is a true reflection of our value systems enshrined in our Vision Statement. Our Vision statement places highest reliance on the values of Integrity, Reliability, Proactivity and Transparency. We firmly believe that Corporate Governance, based on these value systems, is vital to not only enhance stakeholders' trust, but also for the success of the organisation. Your company remains committed to follow best governance practices in true spirit.

Board of Directors ("Board")

The Company is managed and guided by the Board of Directors. The Board formulates the strategy and regularly reviews the performance of the Company. The Board has been entrusted with the requisite powers, authorities and duties to enable it to discharge its responsibilities and provide effective leadership to the Business. The Company has an optimum combination of Executive, Non-Executive and Independent Directors who are eminent persons with professional expertise and valuable experience in their respective areas of specialisation and bring a wide range of skills and experience to the Board.

The Chairman and Managing Director of the Company provides vision and leadership for achieving the approved strategic plan and business objectives. He presides over the Board and the Shareholders' meetings. The Managing Director with the support of the Whole-time Directors and Senior Executives oversees the operations of the Company.

As on the date of this report the Board comprises of 9 (Nine) Directors, which include 5 (Five) Non-Executive Independent Directors and 4 (Four) Executive Directors. There are 2 (Two) Women Directors one of whom is Independent Director.

During the financial year None of the Independent Directors of the Company served as an Independent Director in more than seven listed Companies. The composition of the Board is in line with Regulation 17 of Listing Regulations. None of the Directors on the Board is a Member on more than 10 Committees, and Chairperson of more than 5 Committees across all listed companies in which he/she is a Director. Necessary disclosures regarding Committee positions have been made by the Directors.

Meetings of the Board

The Board of Directors met seven times during the financial year ended on March 31, 2023. Board Meetings were held on 11 April, 2022, 12 May, 2022, 17 June, 2022, 02 August 2022, 08 November 2022, 16 January 2023 and 02 February, 2023.

The maximum gap between any two Board Meetings was less than one hundred twenty days.

Independent Directors

All independent Directors have confirmed that they meet the criteria as stipulated under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) read with Section 149(6) of the Companies Act, 2013.

The maximum tenure of Independent directors is in compliance with the Companies Act, 2013 and the terms and conditions of their appointment have been disclosed on the website of the Company (web link <http://www.sheelafam.com>).

Regulation 25(3) of Listing Regulations read with Schedule IV of the Companies Act, 2013 and the rules under it mandate that the Independent Directors of the Company hold at least one meeting in a year without the attendance of Non-Independent Directors and members of the management. During the year, separate meeting of the Independent Directors was held on February 2nd, 2023 without the attendance of non-independent directors and members of the management. All the Independent Directors attended the said meeting. The independent directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

Familiarisation programme for Independent Directors

The Board/Committee members are provided with the necessary documents/brochures, reports and internal policies, codes of conduct to enable them to familiarise with the Company's procedure and practices. Directors are regularly updated on performance of the business of the Company, business strategy going forward and new initiative being taken/proposed to be taken by the Company through presentation by head of the Departments. Factory/office visits are organised from time to time for the Directors. The policy of the familiarisation programme of the Independent Directors are available on the Company's website at <http://www.sheelafam.com>.

Composition of Board

The composition of the Board of Directors at the end of Financial Year i.e 31st March, 2023, their attendance at the Meetings during the year and at the last Annual General Meeting as also the detail with regard to outside Directorships and committee positions are as under:-

| Name of the Director and DIN | Category | Number of meeting attended | Attendance in Last AGM held on 18th August, 2022 | No. of other Directorship in listed company including this company | No. of Committee positions held including other Companies## | |
|-----------------------------------|-------------------------------|----------------------------|--|--|---|--------|
| | | | | | Chairman | Member |
| Rahul Gautam# 00192999 | Promoter & Executive Director | 7 | Yes | 1 | 0 | 0 |
| Namita Gautam# 00190463 | Executive Director | 6 | Yes | 1 | 0 | 0 |
| Rakesh Chahar 00180587 | Executive Director | 7 | Yes | 1 | 0 | 0 |
| Tushaar Gautam# 01646487 | Executive Director | 7 | Yes | 1 | 0 | 1 |
| Vijay Kumar Chopra* 02103940 | Independent Director | 2 | NA | 3 | 2 | 5 |
| Som Mittal 00074842 | Independent Director | 7 | Yes | 3 | 2 | 0 |
| Ravindra Dhariwal 00003922 | Independent Director | 7 | NO | 3 | 0 | 4 |
| Anil Tandon 00089404 | Independent Director | 7 | Yes | 1 | 0 | 1 |
| Vijay Kumar Ahluwalia 08078092 | Independent Director | 7 | Yes | 1 | 0 | 1 |
| Meena Jagtiani 08396893 | Independent Director | 7 | Yes | 1 | 1 | 1 |

Mr. Rahul Gautam, Managing Director is husband of Mrs. Namita Gautam and father of Mr. Tushaar Gautam and are thus related.

The committees considered for the purpose are those prescribed under Regulation 26 of Listing Regulations i.e. Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies whether listed or not.

*Mr. Vijay Kumar Chopra retired on 6th June, 2022

Board Functioning and procedure

- Board Meeting Frequency and circulation of Agenda papers:** The Board and its Committees meet at regular intervals for discussion on agenda circulated well in advance by the Company. All material information is incorporated in the agenda for facilitating meaningful and focused discussion at the meeting. Where it is not practical to attach, or send the relevant information as a part of agenda papers, the same are tabled at the Meeting. To meet the business exigencies or urgent matters the resolutions are passed by the Directors by Circulation.

The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances. The Board reviewed compliance reports prepared by the Company periodically.

- Presentations by the Management:** The Senior Management of the Company is invited at the Board meetings to provide presentation/clarifications as and when necessary.

- Access to Employees:** The Directors bring an independent perspective on the issues deliberated by the Board. They have access to any information of the Company as they may need to discharge their duties and to any employee of the Company.

Availability of Information to Board members include:

- Annual operating plans and budgets and any updates thereof;
- Capital budgets and any updates thereof;
- Quarterly results of the Company and its operating divisions and business segments;
- Minutes of Meetings of the Audit Committee and other Committees of the Board;
- Recruitment and remuneration of senior officers below board level, including appointment and removal of Chief Financial Officer and the Company Secretary as per SEBI (LODR) Regulations 2015;
- Materially important show cause, demand, prosecution and penalty notices report;

7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
8. Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
9. Any issue which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
10. Details of any joint venture or collaboration agreement;
11. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
12. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.;
13. Sale of material nature, of investments, subsidiaries and assets which is not in the normal course of business;
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material; and
15. Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

Appointment/Re-appointment of Directors:

The information/details pertaining to Directors seeking appointment/re-appointment in the ensuing Annual General Meeting (AGM), is provided in the Notice for the AGM.

Audit Committee

The Committee comprises of Three Directors which include two Non-Executive Independent Directors and one Executive Director of the Company. The Chairman of the Committee is Mr Som Mittal a Non Executive Independent Director.

The constitution and terms of reference of the Audit Committee meet the requirements of Regulation 18 of the Listing Regulations read with the relevant provisions of the Companies Act, 2013. The Company Secretary is the Secretary to the Audit Committee.

Meetings and Attendance

The Audit Committee met 4 (four) times during financial year 2022-23 ended on 31st March, 2023 on 12 May, 2022, 02 August 2022, 08 November 2022 and 02 February, 2023.

The maximum gap between any two meetings was less than four months. The attendance of each Committee Member is as under:

| Name of the Members | No. of meetings | |
|---------------------------|-----------------|----------|
| | Held | Attended |
| Mr. Som Mittal (Chairman) | 4 | 4 |
| Mr. Ravindra Dhariwal | 4 | 4 |
| Mr. V. K. Chopra# | 1 | 1 |
| Mr. Tushaar Gautam | 4 | 4 |

Mr. Som Mittal, Chairman of the Audit Committee attended the 50th Annual General Meeting.

Mr. V. K. Chopra retired on 6th June, 2022

The terms of reference of the Committee are as under:

- (i) The Audit Committee shall have powers, which should include the following:
 - (a) To investigate any activity within its terms of reference;
 - (b) To seek information from any employee of the Company;
 - (c) To obtain outside legal or other professional advice; and
 - (d) To secure attendance of outsiders with relevant expertise, if it considers necessary.
- (ii) The role of the Audit Committee shall include the following:
 - (a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - (b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the Company and the fixation of audit fee;
 - (c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors of the Company;
 - (d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013;
 - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) Major accounting entries involving estimates based on the exercise of judgement by the management of the Company;

- (iv) Significant adjustments made in the financial statements arising out of audit findings;
 - (v) Compliance with listing and other legal requirements relating to financial statements
 - (vi) Disclosure of any related party transactions; and
 - (vii) Qualifications / modified opinion(s) in the draft audit report.
- (e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;
- (f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
- (i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- (j) Scrutiny of inter-corporate loans and investments;
- (k) Valuation of undertakings or assets of the company, wherever it is necessary;
- (l) Evaluation of internal financial controls and risk management systems;
- (m) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (n) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (o) Discussion with internal auditors of any significant findings and follow up there on;
- (p) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (q) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (r) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (s) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- (t) To review the functioning of the whistle blower mechanism;
- (u) Approval of the appointment of the Chief Financial Officer of the Company (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (v) Overseeing the vigil mechanism including to whom directors and employee shall report in case of any concern; and
- (w) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (iii) The Audit Committee shall mandatorily review the following information:
- (a) Management discussion and analysis of financial condition and results of operations;
 - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
 - (c) Management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;
 - (d) Internal audit reports relating to internal control weaknesses;
 - (e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
 - (f) Statement of deviations:
 - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
 - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations;

- (g) review the financial statements, in particular, the investments made by any unlisted subsidiary.

Nomination and remuneration Committee

The Chairman of the Nomination and Remuneration Committee is Mr. Ravindra Dhariwal a Non-Executive Independent Director. The Committee comprises of the following Directors as on 31st March 2023.

1. Mr. Ravindra Dhariwal- Chairman, Independent Director
2. Mr. Som Mittal-Independent Director
3. Mrs. Meena Jagtiani- Independent Director

The constitution and term of reference of the Nomination and Remuneration Committee (NRC) meet the requirements of Regulation 19 of the Listing Regulations read with the relevant provisions of the Companies Act, 2013.

Meetings and Attendance

Nomination and remuneration Committee met 3 (three) times during financial year 2022-23 ended on 31 March, 2023 on 11 May, 2022, 23 September 2022 and 07 November 2022.

| Name of the Members | No. of meetings | |
|-------------------------------------|-----------------|----------|
| | Held | Attended |
| Mr. Ravindra Dhariwal (Chairman) | 3 | 3 |
| Mrs. Meena Jagtiani | 3 | 3 |
| Mr Som Mittal | 3 | 3 |
| Mr. V. K. Chopra# | 1 | 1 |

Mr. V. K. Chopra retired on 6th June, 2022

The terms of reference of the Committee are as under:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (b) Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- (c) Devising a policy on Board diversity;
- (d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report of the Company;
- (e) Analysing, monitoring and reviewing various human resource and compensation matters;
- (f) Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

- (g) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), usually consisting of a fixed and variable component;

- (h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

- (i) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

- (j) Administering the "Sheela Foam Employee Stock Option Scheme" (the "Plan");

- (k) Determining the eligibility of employees to participate under the Plan;

- (l) Granting options to eligible employees and determining the date of grant;

- (m) Determining the number of options to be granted to an employee;

- (n) Determining the exercise price under the Plan;

- (o) Construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan;

- (p) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

- a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
- b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable."

- (q) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

Stakeholders Relationship Committee

The Chairman of the Stakeholders Relationship Committee is Mrs. Meena Jagtiani, a Non-Executive Independent Director. The Committee comprises of the following Directors:

1. Mrs. Meena Jagtiani-Independent Director (Chairperson)
2. Mr. Anil Tandon-Independent Director
3. Mr. Vijay Kumar Ahluwalia- Independent Director

The constitution and term of reference of the Stakeholders Relationship Committee (SRC) meet the requirements of

Regulation 19 of the Listing Regulations read with the relevant provisions of the Companies Act, 2013.

Meetings and Attendance

Stakeholder Relationship Committee met 1 (one) time during financial year 2022-23 ended on 31 March, 2023 on 01 Nov 2022.

| Name of the Members | No. of meetings | |
|---|-----------------|----------|
| | Held | Attended |
| Mrs. Meena Jagtiani (Chairperson) | 1 | 1 |
| Mr. Anil Tandon | 1 | 1 |
| Lt. Gen (Dr.) Mr. Vijay Kumar Ahluwalia | 1 | 1 |

The terms of reference of the Committee are as under:

- Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints;
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and re-materialization of shares, split and issue of duplicate/ consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time; and
- Overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services.

Details of Investor complaints

During the Financial Year ended on 31 March, 2023, the Company not received complaint from investors relating to non-allotment/ transfer of Shares. Details of investor complaints received and resolved during the Financial Year are as follows:

| Opening Balance | Received | Resolved | Pending |
|-----------------|----------|----------|---------|
| Nil | Nil | Nil | Nil |

Corporate Social Responsibility Committee

The Chairperson of the Corporate Social Responsibility Committee is Mr. Anil Tandon a Non-Executive Independent Director. The Committee comprises following Executive and Non-Executive Independent Directors:-

- Mr. Anil Tandon-Independent Director (Chairperson)
- Lt. Gen (Dr.) Vijay Kumar Ahluwalia-Independent Director
- Mrs. Namita Gautam- Executive Director
- Mrs. Meena Jagtiani- Independent Director

Meetings and Attendance

Corporate Social Responsibility Committee met 1 (One) time during financial year 2022-23 ended on 31 March, 2023 on 11 May 2022.

| Name of the Members | No. of meetings | |
|-------------------------------------|-----------------|----------|
| | Held | Attended |
| Mr. Anil Tandon (Chairman) | 1 | 1 |
| Lt. Gen (Dr.) Vijay Kumar Ahluwalia | 1 | 1 |
| Mrs. Meena Jagtiani | 1 | 1 |
| Mrs. Namita Gautam | 1 | 1 |

The terms of reference of the Committee are as under:

- To formulate and recommend to the board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and make any revisions therein as and when decided by the Board;
- To recommend the amount of expenditure to be incurred on the activities referred to in Policy of company on CSR, Schedule VII of the Companies Act, 2013 and rules made there under and any amendment thereof ;
- To monitor the Corporate Social Responsibility Policy of the company from time to time; and
- To do such other acts, deeds and things as may be directed by the board and required to comply with the applicable laws."

Risk Management & ESG Committee

The Committee reconstituted as Risk Management & ESG Committee during the year. The Chairperson of the Risk Management & ESG Committee is Lt. Gen (Dr.) Vijay Kumar Ahluwalia a Non-Executive Independent Director. The Committee comprises following :

- Lt. Gen (Dr.) Vijay Kumar Ahluwalia- Independent Director
- Mr. Som Mittal- Independent Director
- Mr. Rakesh Chahar- Executive Director
- Mr. Tushaar Gautam-Executive Director
- Dr. Mahesh Narayanan N Gopalsamudram-Chief Operating Officer#

Dr. Mahesh Narayanan N Gopalsamudram were appointed on 2nd February, 2023.

Meetings and Attendance

Risk Management Committee met 2 (Two) times during financial year 2022-23 ended on 31 March, 2023 on 07 July 2022 and 21 Dec 2022.

| Name of the Members | No. of meetings | |
|-------------------------------------|-----------------|----------|
| | Held | Attended |
| Lt. Gen (Dr.) Vijay Kumar Ahluwalia | 2 | 2 |
| Mr. Rakesh Chahar | 2 | 2 |
| Mr. Tushaar Gautam | 2 | 2 |
| Mr. Som Mittal | 2 | 2 |

Committee Responsibilities and Authority

- The committee shall evaluate significant risk exposures of the company and assess management's actions to mitigate the exposures in a timely manner.
 - The committee will coordinate its activities with the audit committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice).
 - The committee shall make reports to the board, including with respect to risk management and minimization procedures.
- The board shall review the performance of the committee.
 - The committee shall have access to any internal information of the company necessary to fulfil its oversight role. The committee shall also have the authority to obtain advice and assistance from internal or external experts /advisors.
 - The committee shall advise management in connection with the development and implementation of ESG strategies to preserve and enhance long-term shareholder value and to promote stakeholder interests;
 - The committee shall report to the Board on current and emerging topics relating to ESG Matters that may affect the business, operations, performance, or public image of the Company or are otherwise pertinent to the Company and its stakeholders and, if appropriate, detail actions taken in relation to the same.
 - The committee shall advise the Board on stakeholder proposals and other significant stakeholder concerns relating to ESG Matters.
 - The role and responsibilities of the committee shall include such other items as may be prescribed by applicable law or the board in compliance with applicable law, from time to time.

General Body Meetings

Particulars of the last three General Meetings and Postal Ballot are as follows:

Annual General Meeting

| Year | Date & Day | Location | Time | Special Resolution |
|---------|------------------|--|----------|---|
| 2021-22 | 18th August 2022 | NA Through Video Conference ("VC") /Other Audio Visual Means ("OAVM") | 10.00 AM | 1. Reappointment of Mr. Rahul Gautam as managing Director, Mrs. Namita Gautam as whole-time director, for a period of five year. 2. Increase the tenure as Non-executive Independent director of Mr. Som Mittal, Mr. Anil Tandon, Mr. V.K. Ahluwalia and Mrs. Meena Jagtiani to 5 Year, 3. Approve the ESOP 2022. |
| 2020-21 | 20th Aug 2021 | NA Through Video Conference ("VC") /Other Audio-Visual Means ("OAVM") | 11.00 AM | Reappointment of Mrs. Meena Jagtiani as a Non executive independent director |
| 2019-20 | 14th Aug 2020 | NA Through Video Conference ("VC") /Other Audio-Visual Means ("OAVM") | 10.30 AM | No Special Resolution |

Extraordinary General Meeting

| Year | Date & Day | Location | Time | Special Resolution |
|------|------------|----------|------|--------------------|
| NIL | | | | |

Postal Ballot

| Year | Date & Day | Special Resolution |
|---------|------------|--|
| 2021-22 | 16/01/2023 | <ol style="list-style-type: none"> Resolution under section 180 (1) (a) of the Companies Act, 2013 for mortgage, hypothecate, pledge and or to create a charge. Resolution under section 180 (1) (c) of the Companies Act, 2013 to approve the borrowing limits of the Company Resolution under Section 186 of the Companies Act, 2013 to approve the loan/ guarantee/ investment limits of the Company |
| | 08/11/2022 | Issue of Bonus shares |
| 2020-21 | 15/01/2021 | <ol style="list-style-type: none"> Reappointment of Mr. Vijay Kumar Chopra as Non-Executive Independent Director of the Company for a period of one year. Reappointment of Mr. Som Mittal as Non-Executive Independent Director of the Company for a period of four year. Reappointment of Mr. Ravindra Dhariwal as Non-Executive Independent Director of the Company for a period of five year. Reappointment of Mr. Anil Tandon and Lt. Gen (Dr.) Vijay Kumar Ahluwalia as Non-Executive Independent Director of the Company for a period of three year. |

Means of Communication with Shareholders

a) Financial Results

The financial results of the Company are communicated to all the Stock Exchanges where the Company's equity shares are listed. The results are published in 'Financial Express' in English and 'Jansatta' in the vernacular language.

b) Website and email id for Investors

Detailed information on the Company's business and products; quarterly and annual financial results, Investor brief and the quarterly distribution of Shareholding are displayed on the Company's website. The company has designated the email id investorrelation@sheelafoam.com for its investors.

c) Intimation to Stock Exchanges:

The Company intimates stock exchanges all information which in its opinion are material & of relevance to the shareholders. The Company also submits electronically various compliance reports/statements periodically in

accordance with the provisions of the Listing Regulations on NSE and BSE's Electronic Filing Systems.

d) Teleconferences and Press conferences, Presentation etc.:

The Company held quarterly Investors Teleconferences and Press Conferences for the investors of the Company after the declaration of the Quarterly Results. The Company made presentations to institutional investors/analysts during the period which are available on the Company's website.

General Shareholder Information

(a) Annual General Meeting

Date & Day: 18th July, 2022, Tuesday

Time: 10:00 a.m.

Venue- E-meeting, through video conference ("VC")/other Audio visual means ("OAVM")

(b) Financial Year: April to March

(c) Listing on Stock Exchange

The Company's equity shares are listed at the following Stock Exchanges.

| Name and Address of Stock Exchanges | Stock Code |
|---|------------|
| BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 023. | 540203 |
| National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra€ Mumbai-400 051 | SFL |

Market Price Data/Stock Performance: FY 2022-23 ended on March 31, 2023

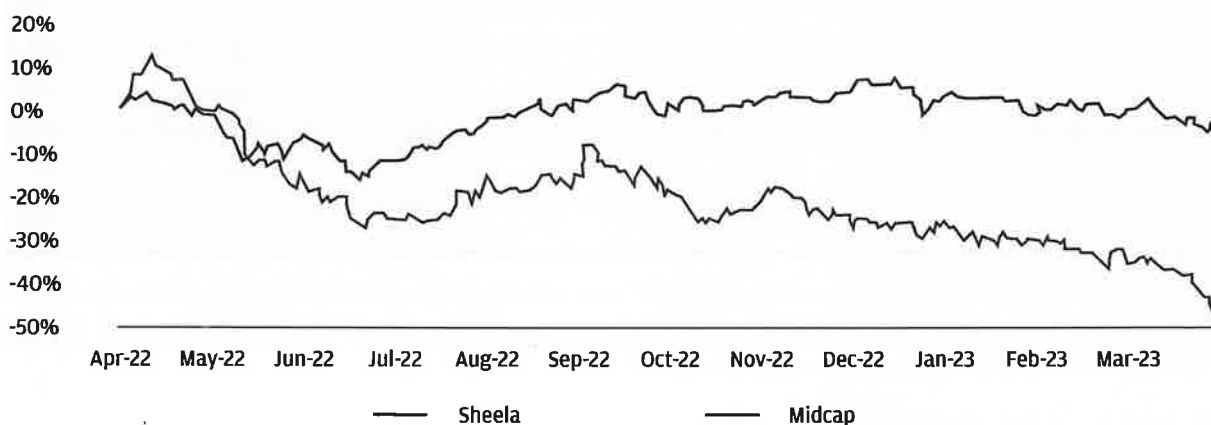
The Company is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The high low price during this period on the BSE and NSE was as under:-

| Month | Bombay Stock Exchange (BSE) (in ₹) | | National Stock Exchange (NSE) (in ₹) | |
|----------------|---------------------------------------|-------|---|-------|
| | High | Low | High | Low |
| April 2022 | 4054 | 3484 | 4055 | 3476 |
| May 2022 | 3648 | 2850 | 3649 | 2855 |
| June 2022 | 3084 | 2547 | 3019 | 2550 |
| July 2022 | 2911 | 2575 | 2923 | 2577 |
| August 2022 | 3045 | 2621 | 3048 | 2805 |
| September 2022 | 3420 | 2807 | 3423 | 2805 |
| October 2022 | 2893 | 2569 | 2920 | 2590 |
| November 2022 | 2993 | 2533 | 2948 | 2535 |
| December 2022 | 2750 | 1204* | 2800 | 1202* |
| January 2023 | 1308 | 1205 | 1295 | 1204 |
| February 2023 | 1269 | 1111 | 1274 | 1120 |
| March 2023 | 1176 | 905 | 1192 | 906 |

- Bonus in the ration of 1:1 were allotted share.

Stock Performance Graph

1 year stock performance (As on 31st March 2023)



Registrar and Share Transfer Agent

Address:

Link Intime India Private Limited

Noble Heights, First Floor, Plot NH2

C-1 Block LSC, Near Savitri Market

Janakpuri, New Delhi-110058

Tel No : +91 1141410592,93,94

E-mail id : delhi@linkintime.co.in

Website : www.linkintime.co.in

Share Transfer System

The Company's share transfer authority has been delegated to the Company Secretary/ Registrar and Transfer Agent M/s Link Intime India Private Limited who generally has authority to approve and confirm the request for share transfer/ transmission/ transposition/ consolidation/ issue of duplicate share certificates/ sub-division, consolidation, remat, demat and perform other related activities in accordance with the Listing Agreement and SEBI (Depositories and Participants) Regulations, 1996.

Except Eleven shares all the shares of the company are in dematerialized form. As per the requirement of Regulation 40(9) of the Listing Regulations a certificate on half yearly basis confirming due compliance of share transfer/transmission formalities by the Company from Practicing Company Secretary has been submitted to Stock Exchanges within stipulated time.

Distribution of Equity Shareholding as on March 31, 2023

| Group of Shares | Number of Shareholders | % to total Shareholders | Number of Shares held | % to Total Shares |
|-----------------|------------------------|-------------------------|-----------------------|-------------------|
| 1-500 | 27289 | 98.4914 | 794996 | 0.8148 |
| 501-1000 | 197 | 0.711 | 139761 | 0.1432 |
| 1001-2000 | 76 | 0.2743 | 105375 | 0.1080 |
| 2001-3000 | 27 | 0.0974 | 64814 | 0.0664 |
| 3001-4000 | 15 | 0.0541 | 54414 | 0.0558 |
| 4001-5000 | 10 | 0.0361 | 46208 | 0.0474 |
| 5001- 10000 | 21 | 0.0758 | 148422 | 0.1521 |
| 10001 & above | 72 | 0.2599 | 96211626 | 98.6123 |
| Total | 27707 | 100.000 | 97565616 | 100.000 |

Shareholding Pattern as on March 31, 2023

| Category | Number of Shares held | %-Issued Capital |
|--|-----------------------|------------------|
| Promoter and Prompter Group | 71174174 | 72.95 |
| Mutual Funds | 21680407 | 22.22 |
| Insurance Companies | 9741 | 0.01 |
| Foreign Portfolio Investors(Corporate) | 3183734 | 3.26 |
| Non Resident Indians | 50315 | 0.05 |
| Non Resident (Non Repatriable) | 194665 | 0.20 |
| Clearing Members | 6131 | 0.01 |
| Other Bodies Corporate | 17866 | 0.02 |
| Body corp LLP | 64923 | 0.07 |
| Hindu Undivided Family | 68659 | 0.07 |
| Alternate Investment Funds | 52875 | 0.05 |
| Individual | 1062126 | 1.09 |
| TOTAL : | 97565616 | 100 |

Dematerialisation of Shares & Liquidity

As on March 31, 2023, all the equity share capital of the Company were held in dematerialised form except 11 shares. The ISIN allotted in respect of equity shares of ₹ 5/- each of the Company by NSDL/CDSL is INE916U01025.

Plant Locations of Sheela Foam Limited

| | |
|--|---|
| Plot No-51A, Udyog Vihar, Greater Noida, Dist. Gautambudh Nagar 201306 (Uttar Pradesh) | N.H 8, Near Bhilad Check Post Village- Talwada-Taluka Umergoan Dist: Valsad - 396105 (Gujarat) |
| Village- Habibpur, Noida Dadri Road Gautambudh Nagar-201304 | Survey No.-852, Medchal Industrial Area R.R.District-501401, Hyderabad (Telagana) |
| Village Mardanpur, Near Shamboo Teh. Rajpura, Dist. Patiala-140401 (Punjab) | MM-3, Phase-4, Sipcot Industrial Growth Centre, P.O.Palayam, Village:Perundurai, Erode- 638052 Tamilnadu |
| Mainthapal, Nahan Road Kalaamb, Dist. Sirmour, Himachal Pradesh-173030 | Kanchanjanga Integrated Hub P.O. Fatapukur, P.S.Rajganj, Dist. Jalpaiguri.Pin-735134(West Bengal) |
| Survey No.257, Saily, Umankui Road City- Silvassa,State-(U.T. Of DNH & DAMAN DIU) Pin code-396230 | 37/2, Site IV, Sahibabad Industrial Area, Ghaziabad Uttar Pradesh 201010 |

Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Practising Company Secretaries/ Chartered Accountants carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form and in physical form.

Disclosures of Accounting Treatment

In the financial statements for the year ended March 31, 2023, the Company has followed the treatment as prescribed in the applicable Accounting Standards.

Related Party Transactions

During the year there was no materially significant related party transaction which may have potential conflict with the interest of the Company. The Company has formulated a Related Party Transaction policy which has been uploaded on its website at <http://www.sheelafoam.com>. Details of related party information and transactions are being placed before the Audit Committee from time to time. The omnibus approval is also obtained from the Board. The details of the related party transactions during the year have been provided in Note to the financial statements.

Details of Non-Compliance by the Company, penalties, stricture imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities or any matter related to capital markets.

The Company has complied with all the requirements of the Stock Exchanges/the Regulations and guidelines of SEBI and other Statutory Authorities on all matters relating to capital markets. No penalties or strictures have been imposed by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets during the last three years.

Whistle Blower Policy and Affirmation that no personnel has been denied access to the Audit Committee

The Company has established a vigil mechanism through a Whistle Blower Policy for directors and employees to report concerns

about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The mechanism provides for adequate safeguards against victimisation of director(s)/ employee(s) who express their concerns and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. During the year under review, no personnel was denied access to the Audit Committee.

Code for prevention of Insider Trading

The Company has instituted code on prevention of insider trading in compliance with the SEBI (Prohibition of Insider Trading) Regulations. The Code lays down the guidelines which advise on procedures to be followed and disclosures to be made, while dealing in shares of the Company and the consequences of the non-compliances.

Code of conduct for Directors and Senior Executives

The Company has laid down a Code of Conduct for all Board Members and the Senior Executives of the Company. The Code of conduct is available on the Company's website www.sheelafoam.com. The code of conduct was circulated to all the members of the Board and senior management personnel and they have affirmed their compliance with the said code of conduct for the financial year ended 31 March, 2023. A declaration to this effect signed by the Chairman & Managing Director is given below:

To

The Shareholders of Sheela Foam Limited.

Sub.: Compliance with Code of Conduct

I hereby declare that all the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors and applicable to them for the financial year ended 31 March, 2023.

Date: May 17, 2023

Place: Noida

Rahul Gautam
Chairman and Managing Director

MD/CFO Certification

The Managing Director & CFO have certified to the Board of Directors inter-alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting purpose as required under Regulation 17 (8) of Listing Regulations for the year ended March 31, 2023. The said certificate forms part of the Annual Report.

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The details of mandatory requirements are mentioned in this Report. The Company is in compliance with the requirements specified under Clause 49 of the Listing Agreements and regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations, as applicable, with regard to corporate governance.

Further, as required under the SEBI Regulations, the Company has executed fresh Listing Agreements with BSE Limited and National Stock Exchange of India Limited and has adopted Policy on Preservation of Documents, Archival Policy and Policy for determination of Materiality.

Modified opinion(s) in audit report

The opinion expressed by the Auditor in the audit report on the financial statements for the year ended March 31, 2023 is unmodified.

Compliance Certificate on Corporate Governance from the Auditor

The certificate dated May 17, 2023 from the Statutory Auditors of the Company confirming compliance with the Corporate Governance requirements as stipulated under Listing Regulations is annexed hereto.

The above report has been adopted by the Board of Directors of the Company at their meeting held on May 17, 2023.

CEO/CFO Certification

To
The Board of Directors
Sheela Foam Limited

Sub: CEO/CFO certification under Regulation 17 (8) of Listing Regulations

We, Rahul Gautam, Chairman and Managing Director, Mr. Amit Kumar Gupta, Group CFO certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) That there were no significant changes in internal control over financial reporting during the year;
 - (ii) That there were no significant changes in accounting policies during the year and
 - (iii) That there were no instances of significant fraud, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Rahul Gautam
Chairman and Managing Director

Amit Kumar Gupta
Group Chief Financial Officer

Place: Noida
Date: May 17, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Sheela Foam Limited
604 Ashadeep, 9 Hailey Road,
New Delhi-110001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Sheela Foam Limited** having CIN (L74899DL1971PLCO05679) and having registered office at 604 Ashadeep, 9 Hailey Road, New Delhi 110001 (hereinafter referred to as the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| S.N. | Name of Director | DIN | Date of appointment in Company |
|------|-----------------------|----------|--------------------------------|
| 1 | Rahul Gautam | 00192999 | 01/04/1996 |
| 2 | Namita Gautam | 00190463 | 14/11/2003 |
| 3 | Rakesh Chahar | 00180587 | 14/11/2003 |
| 4 | Tushaar Gautam | 01646487 | 01/04/2007 |
| 5 | Vijay Kumar Chopra* | 02103940 | 07/06/2016 |
| 6 | Som Mittal | 00074842 | 07/06/2016 |
| 7 | Ravindra Dhariwal | 00003922 | 07/06/2016 |
| 8 | Anil Tandon | 00089404 | 07/06/2016 |
| 9 | Vijay Kumar Ahluwalia | 08078092 | 05/03/2018 |
| 10 | Meena Jagtiani | 08396893 | 08/04/2019 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

* Retired on 6th June 2022

For **AVA Associates**
Company Secretaries

Amitabh
Partner
CP: 5500
Membership No. A14190
UDIN: A014190E000326282

Place: Delhi
Date: May 17, 2023

Certificate on Compliance with the Regulations of Corporate Governance

To the Members of **Sheela Foam Limited**

We the Secretarial Auditor of **Sheela Foam Limited** (the Company') have examined the compliance of Corporate Governance for the year ended March 31, 2023 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of the Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 ('the Regulations') as amended from time to time.

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliances with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Practicing Company Secretaries' Responsibility

Our responsibility is limited to the examination of the procedures and the implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records and documents maintained by the Company as produced before us, for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

Based on our examination of relevant records and information and according to the explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, during the year ended March 31, 2023, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For AVA Associates
Company Secretaries

(Amitabh)

Partner

PCS 5500

Mem No 14190

UDIN: A014190E000326337

Place: Delhi

Date: May 17, 2023

Annexure-C

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

None; During the reporting period ended on 31st March 23 , all transactions were at Arms's length basis.

During the reporting period all other transactions are on arm's length basis.

| SL. No. | Particulars | Details |
|---------|---|---------|
| 1 | Name (s) of the related party & nature of relationship | NA |
| 2 | Nature of contracts/arrangements/transaction | NA |
| 3 | Duration of the contracts/arrangements/transaction | NA |
| 4 | Salient terms of the contracts or arrangements or transaction including the value, if any | NA |
| 5 | Justification for entering into such contracts or arrangements or transactions' | NA |
| 6 | Date of approval by the Board | NA |
| 7 | Amount paid as advances, if any | NA |
| 8 | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | NA |

2. Details of material contracts or arrangement or transactions at arm's length basis -

NONE; DURING THE REPORTING PERIOD, THERE WAS NO MATERIAL* CONTRACT OR ARRANGEMENT.

(*As defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction" means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the Company.)

- (a) Name(s) of the related party and nature of relationship: NA
- (b) Nature of contracts / arrangements / transactions: NA
- (c) Duration of the contracts / arrangements / transactions: NA
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA
- (e) Date(s) of approval by the Board, if any: NA
- (f) Amount paid as advances, if any: NA

Annexure-D

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2023

To,
The Members
Sheela Foam Limited
604 Ashadeep, 9 Hailey Road,
New Delhi-110001

We have conducted the secretarial audit of compliance with applicable statutory provisions and the adherence to good corporate practices by **Sheela Foam Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (as listed in Annexure A) and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit.

We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st of March 2023, complied with the laws listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sheela Foam Limited for the financial year ended on 31st of March 2023 according to the provisions of:

- a. The Companies Act, 2013 (the Act) and the rules made thereunder;
- b. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- c. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- d. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- e. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- f. Other sector specific laws like the Petroleum Act, 1934 ("Petroleum Act") and Petroleum Rules, 2002 ("Petroleum Rules"); Bureau of Indian Standards Act, 1986 ("BIS Act") and Bureau of Indian Standards Act, 2016; Consumer Protection Act, 1986; Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Wastes Rules") and Environmental laws and regulations and other laws applicable to manufacturing companies.
- g. Labour laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on a contractual basis as related to wages, gratuity, provident fund, ESIC, compensation and labour laws of the respective States where the Company operates.

The Listing Agreements entered into by the Company with the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) and the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:-

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. During the year Mr. Vijay Kumar Chopra ceased to be a director on 06.06.2022 on completion of his term of appointment. The CFO Mr. Nikhil Ghanshyam Datye resigned with effect from 05.12.2022.

Adequate notices were given to all the Directors to schedule the Board Meetings. Agendas and detailed notes on agendas were sent at least seven days in advance, except where it was called urgently, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions of the Board were carried out unanimously and Minutes of the meetings were recorded properly.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that:

1. The Company complied with the provisions of section 149 of the Companies Act, 2013, and rules thereunder. The Company at the end of the review period, has Five Independent Directors on the Board wherein one independent director is a woman.
2. The Committees of the Board, met to transact businesses during the year, as given below:-
 - a) Audit Committee - 4 times
 - b) Corporate Social Responsibility Committee- 1 time
 - c) Nomination and Remuneration Committee -3 times
 - d) Stakeholders Relationship Committee- 1 time
 - e) Risk Management Committee - 2 times
3. All regulatory reporting, including but not limited to the filing due with the stock exchanges listed, SEBI, Reserve Bank of India (RBI) and the Ministry of Corporate Affairs (MCA) was done regularly.
4. We further report that during the reporting period, the company has
 - i. Issued Bonus Equity Shares to the existing shareholders of the company to the tune of ₹ 487,82,808 equity shares of ₹ 5/- each;
 - ii. Increased its authorised capital from ₹ 44,01,05,000.00 to ₹ 100,00,00,000.00;
 - iii. The company issued an Employees Stock Option plan;
 - iv. The company has initiated the process of amalgamation of International Comfort Technologies Pvt Ltd, a subsidiary company with itself, and approved the scheme therefore.
5. Our report is to be read along with the representations disclosed in Annexure B.

For **AVA Associates**
Company Secretaries

(Amitabh)

Partner

CP: 5500

UDIN: AO14190E000326227

PR No: 1478/2021

Place: Delhi

Date: May 17, 2023

Annexure A- List of Documents Verified

1. Memorandum & Articles of Association of the Company.
2. Annual Reports of the Company.
3. Minutes of the meetings of the Board of Directors and the committees thereof (along with Attendance Register) held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Statutory Registers under the Companies Act, 2013.
6. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of section 184 of the Companies Act, 2013.
8. E-Forms and documents filed by the Company, from time-to-time, under applicable provisions of Companies Act, 2013 and listing agreement and securities regulation laws along with the attachments thereof during the financial year under report.
9. Registers and returns maintained under various applicable labour laws.
10. Other State specific laws.
11. Intimations / documents / reports / returns filed/ under the provisions of sectoral laws related to manufacturing of PUF, Foam and other products during the financial year under report.
12. Filings made with Reserve Bank of India under the Foreign Direct Investment Guidelines

Annexure B- Responsibility Statement

To,
The Members
Sheela Foam Limited
604 Ashadeep, 9 Hailey Road,
New Delhi-110001

Our report is to be read along with the following:

Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we follow provide a responsible basis for our opinion.

We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.

Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and the happening of events, etc.

Compliance with the provision of corporate and other applicable laws, rules, regulations, and standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.

The secretarial audit report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **AVA Associates**
Company Secretaries

(Amitabh)
Partner
CP: 5500

Place: Delhi
Date: May 17, 2023

UDIN: A014190E000326227

Annexure-E

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES FOR THE YEAR 2022-23: Annexure II.

1. Brief outline on CSR Policy of the Company.

The company is committed to society for improving quality of life of people living in under privileged area especially those from socially and economically backward areas. Company's CSR efforts shall focus on Education, Employability and Health for relevant target groups, ensuring diversity and giving preference to needy and deserving people inhabiting in rural India. The Company has adopted Corporate Social Responsibility (CSR) Policy. The policy has been uploaded on the website of the Company www.sheelafoam.com. The various programme includes Education, Swach Bharat, community, rural development and all the Government Notified Fund. The Company has a CSR arm, Sleepwell Foundation(Trust). It has been promoting education, skill development, wellness, cleanliness, since 2001.

During the year under review the CSR initiatives have been made mainly in the area of education, healthcare, sanitation and eradicating hunger, poverty and malnutrition.

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|-------------------------------------|--------------------------------------|--|--|
| 1 | Mr. Anil Tandon | Chairman | 1 | 1 |
| 2 | Lt. Gen (Dr.) Vijay Kumar Ahluwalia | Member | 1 | 1 |
| 3 | Mrs. Namita Gautam | Member | 1 | 1 |
| 4 | Mrs. Meena Jagtiani | Member | 1 | 1 |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

www.sheelafoam.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

NA

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be set-off for the financial year, if any (in ₹) |
|---------|----------------|--|---|
| 1 | NA | NA | NA |

6. Average net profit of the company as per section 135(5).

₹ 23,800.89 Lakhs

7. (a) Two percent of average net profit of the company as per section 135(5) ₹ 476.02 Lakhs
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NA
 (c) Amount required to be set off for the financial year, if any : NA
 (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 476.02

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in ₹) | Amount Unspent (in ₹) | | | | |
|--|--|-------------------|--|---------|-------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount. | Date of transfer. | Name of the Fund | Amount. | Date of transfer. |
| ₹ 523.02 Lakhs | NIL | NA | NA | NIL | NA |

(b) Details of CSR amount spent against ongoing projects for the financial year: (₹ In Lakhs)

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|--------------|---|--|----------------------|---|-----------|-------------------|--|--|---|---|--|--------------------------|
| Sl. No. | Name of the Project. | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the project. | | Project duration. | Amount allocated for the project (in ₹). | Amount spent in the current financial Year (in ₹). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹). | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency | |
| | | | | State. | District. | | | | | | Name | CSR Registration number. |
| 1. | Education/ Skill Development / Health Care | Promoting Education including employment enhancing vocational skills, conducting wellness awareness programme, contributing sanitation programme | Y | Delhi, Uttar Pradesh, Uttarakhand, Himachal Pradesh, Chandigarh, Telengana, West Bengal, Gujarat and Madhya Pradesh | | Yearly allocation | 275.00 | 275.00 | NIL | No (Through Sleepwell Foundation) | NA | NA |
| 2. | Health Care/ Education/ Skill Development / Art and Culture | Proving Health Support, Promoting Education including employment enhancing vocational skills | Y | Uttar Pradesh, Uttarakhand, Delhi, Himachal Pradesh, Gujarat and Chandigarh | | General | 248.02 | 248.02 | NIL | Yes | NA | NA |
| Total | | | | | | | 523.02 | 523.02 | NIL | | | |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---------|---------------------|--|----------------------|--------------------------|-----------|--------------------------------------|---|---|--------------------------|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/No). | Location of the project. | | Amount spent for the project (in ₹). | Mode of implementation - Direct (Yes/No). | Mode of implementation - Through implementing agency. | |
| | | | | State. | District. | | | Name. | CSR registration number. |
| 1. | NA | NA | NA | NA | NA | NA | NA | NA | NA |

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 523.02 Lakhs

(g) Excess amount for set off, if any

| Sl. No. | Particular | Amount (in ₹) |
|---------|---|---------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 476.02 Lakhs |
| (ii) | Total amount spent for the Financial Year | 523.02 Lakhs |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 47 Lakhs |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 47 Lakhs |

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (in ₹) |
|---------|---------------------------|--|--|--|----------------|-------------------|--|
| | | | | Name of the Fund | Amount (in ₹). | Date of transfer. | |
| 1. | NA | NA | NA | NA | NA | NA | NA |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---------|-------------|----------------------|--|-------------------|--|---|--|--|
| Sl. No. | Project ID. | Name of the Project. | Financial Year in which the project was commenced. | Project duration. | Total amount allocated for the project (in ₹). | Amount spent on the project in the reporting Financial Year (in ₹). | Cumulative amount spent at the end of reporting Financial Year. (in ₹) | Status of the project - Completed / Ongoing. |
| 1 | NA | NA | NA | NA | NA | NA | NA | NA |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(Asset-wise details).

(a) Date of creation or acquisition of the capital asset(s). NA

(b) Amount of CSR spent for creation or acquisition of capital asset. NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). NA

Sd/-
(Managing Director or Director)Sd/-
(Chairman CSR Committee)

Annexure-F

Particulars of Employees

Particulars of Employees Pursuant to Section 197(12) of the Companies Act, 2013 Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i) The percentage increase in remuneration of each Director, the CFO and the CS during the Financial Year 2023, ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2023.

ii)

| Name and Designation | Remuneration for Financial Year 2023 (₹ in Lakhs) | % increase/ (Decrease) of remuneration in the Financial Year 2023 | Ratio of remuneration to Median Remuneration |
|---|---|---|--|
| Executive Director | | | |
| Mr. Rahul Gautam Managing Director | 420.70 | (2.59) | 145 |
| Mrs. Namita Gautam Wholetime Director | 223.76 | (2.39) | 77 |
| Mr. Rakesh Chahar Wholetime Director | 221.18 | (2.47) | 76 |
| Mr. Tushaar Gautam Wholetime Director | 231.38 | (2.16) | 80 |
| Non Executive Independent Director | | | |
| Mr. Vijay Kumar Chopra # Non Executive Independent Director | 2.75 | NA | 9 |
| Mr. Som Mittal Non Executive Independent Director | 30.00 | 17.65 | 10 |
| Mr. Ravindra Dhariwal Non Executive Independent Director | 27.75 | 9.90 | 9 |
| Mr. Anil Tandon Non Executive Independent Director | 24.75 | 25.32 | 8 |
| Lt. Gen (Dr.) Vijay Kumar Ahluwalia Non Executive Independent Director | 26.00 | 20.93 | 9 |
| Mrs. Meena Jagtiani Non Executive Independent Director | 26.25 | 23.52 | 9 |
| Key Managerial Personnel | | | |
| ##Mr. Nikhil Datye, Group CFO | 93.93 | NA | NA |
| Mr. Md Iqbal Ahmad Company Secretary | 23.71 | 26 | 8 |

#Mr. Vijay Kumar Chopra retired on 6th June, 2022

##Mr. Nikhil Datye was resigned as Group CFO w.e.f 05th December 2022.

Note:

- (i) The remuneration of the non-executive Independent directors includes sitting fees for attending Board/Committee meetings and since they were appointed during the mid of the last financial year or this Financial Years there is no comparison for % increase in remuneration.
- (ii) The employee and the salary details hereinafter provided are for employees excluding trainees.
- (iii) The median remuneration of employees during the financial year was ₹ 2,90,731
- (iv) In the financial year, there was an decrease of 3 % in the median remuneration of employees.
- (v) Number of permanent employees on the role of the Company as on 31.03.2023 is 1,914
- (vi) The remuneration is as per the remuneration policy of the company.

Annexure-G

Particulars of Employees Pursuant to Section 197(12) of the Companies Act, 2013 Read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| Name and Designation | Remuneration for FY 21 (₹ in Lakhs) | Experience (in years) | Educational Qualification | Previous employment and designation |
|---------------------------------|--|----------------------------------|--------------------------------------|--|
| Dr. Mahesh N Gopalamudram (COO) | 143.48 | 24 | PhD | Manali Petrochemical |

Annexure-H

DIVIDEND DISTRIBUTION POLICY

1. Preamble

This Policy is drawn by the management to strike the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.;

2. Company's View

The view of the Company is to maximise the shareholders' wealth in the Company through various means. The Company believes that driving growth creates maximum shareholder value. Thus, the Company would first utilise its profits for working capital requirements, capital expenditure to meet expansion needs, reducing debt from its books of accounts, earmarking reserves for inorganic growth opportunities and thereafter distributing the surplus profits in the form of dividend to the shareholders.

3. Regulatory Framework

The Securities Exchange Board of India ("SEBI") on July 8, 2016 inserted Regulation 43A in SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy.

4. Parameters for declaration of Dividend

In line with the company's view stated above in Clause 2, the Board of Directors of the Company, shall consider the following parameters for declaration of Dividend:

Financial Parameters / Internal Factors:

The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

- Consolidated net operating profit after tax;
- Working capital requirements;
- Capital expenditure requirements;
- Resources required to fund acquisitions and / or new businesses
- Cash flow required to meet contingencies;
- Outstanding borrowings;
- Past Dividend Trends

External Factors:

The Board of Directors of the Company would consider the following external factors before declaring or recommending dividend to shareholders:

- Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws;
- Dividend pay-out ratios of companies in the same/similar industry.

Circumstances under which the shareholders may or may not expect Dividend:

The shareholders of the Company may not expect Dividend under the following circumstances:

- Whenever the Company undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- Significantly higher working capital requirements adversely impacting free cash flow;
- Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;
- Whenever it proposes to utilise surplus cash for buy-back of securities; or
- In the event of inadequacy of profits or whenever the Company has incurred losses.

Utilization of retained earnings:

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

5 Procedures

- The Chief Financial Officer in consultation with the MD of the Company shall recommend any amount to be declared/ recommended as Dividend to the Board of Directors of the Company.
- The agenda of the Board of Directors where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal.
- Pursuant to the provisions of applicable laws and this Policy, interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders approval, at the ensuing Annual General Meeting of the Company.
- The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.

6 Disclosure: The Company shall make appropriate disclosures as required under the SEBI Regulations.

7 General

- This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.
- The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.
- In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Annexure I

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity

| | | |
|----|---|--|
| 1 | Corporate Identity Number (CIN) of the Company | L74899DL1971PLC005679 |
| 2 | Name of the Company | Sheela Foam Limited |
| 3 | Year of incorporation | 1971 |
| 4 | Registered office address | 604, Ashadeep 9 Hailey Road New Delhi-110001 |
| 5 | Corporate office address | 14, Sector 135, Noida, U.P-201301 |
| 6 | E-mail ID | investorrelation@sheelafoam.com |
| 7 | Telephone | +91 11 22026875 |
| 8 | Website | http://www.sheelafoam.com/ |
| 9 | Financial year for which reporting is being done | 1st April 2022 to 31st March 2023 |
| 10 | Name of the Stock Exchange(s) where shares are listed | National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) |
| 11 | Paid-up Capital | ₹ 48,78,28,080 |
| 12 | Name and contact details of the person who may be contacted in case of any queries on the Business Responsibility and Sustainability Report (BRSR) | |
| | Name of the Person | Md. Iqubal Ahmad (Company Secretary) |
| | Telephone | +911122026875 |
| | Email address | iqubal.ahmad@sheelafoam.com |
| 13 | Reporting Boundary | |
| | Type of Reporting (Standalone / Consolidated) | Disclosures made in this report are on a standalone basis |

II. Product/Services:

14 Details of business activities (accounting for 90% of the turnover)

| S. No. | Description of Main Activity | Description of Business Activity | % Turnover of the Entity |
|--------|------------------------------|--|--------------------------|
| 1 | Sale of products | Polyurethane Foam, Mattress, Pillow, Cushion and Home Comfort Products | 99.69% |

15 Products/Services sold by the Company (accounting for 90% of the entity's Turnover)

| S. No. | Product/Service | NIC Code | % of Total Turnover contributed |
|--------|--|----------|---------------------------------|
| 1 | Polyurethane Foam, Mattress, Pillow, Cushion and Home Comfort Products | 31005 | 99.69% |

III. Operations

16 Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of plants | No. of Offices | Total |
|---------------|------------------|----------------|-------|
| National | 11 | 1 | 12 |
| International | - | - | - |

17 Market served by the entity

- No. of Locations
- What is the contribution of exports as a percentage of the total turnover of the entity?
- A brief on type of Customers

| Locations | Numbers |
|----------------------------------|---|
| National (No. of States) | Pan-India |
| International (No. of Countries) | 8 (USA, Australia, UAE, EU, Saudi Arabia, Sri Lanka, Bangladesh and Nepal.) |
| | 1.9% |

Sheela Foam Limited serves a diverse range of customers across various sectors. The customer base includes but is not limited to: Wholesalers, Traders, End Consumers, Institutions, Government Departments, B2B Customers, Online Market Place etc.

IV. Employees

18. Details as at the end of financial year 2022-23:

| S. No. | Particulars | Total (A) | Male | | Female | |
|-----------|--|-------------|-------------|-------------|------------|------------|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| a. | Employees (including differently abled) | | | | | |
| | Employees | | | | | |
| 1 | Permanent (A) | 666 | 612 | 92% | 54 | 8% |
| 2 | Other than Permanent (B) | 41 | 25 | 61% | 16 | 39% |
| 3 | Total (A+B) | 707 | 637 | 90% | 70 | 10% |
| b. | Workers (including differently abled): | | | | | |
| | Workers | | | | | |
| 1 | Permanent (E) | 1256 | 1197 | 95% | 59 | 5% |
| 2 | Other than Permanent (F) | 783 | 741 | 95% | 42 | 5% |
| 3 | Total (E+F) | 2039 | 1938 | 95% | 101 | 5% |
| c. | Differently abled Employees | | | | | |
| | Employees | | | | | |
| 1 | Permanent | 1 | 1 | 100% | 0 | 0% |
| 2 | Other than Permanent | 0 | 0 | 0% | 0 | 0% |
| 3 | Total | 1 | 1 | 100% | 0 | 0% |
| d. | Differently abled Workers: | | | | | |
| | Workers | | | | | |
| 1 | Permanent | 0 | 0 | 0% | 0 | 0% |
| 2 | Other than Permanent | 0 | 0 | 0% | 0 | 0% |
| 3 | Total | 0 | 0 | 0% | 0 | 0% |

19. Participation/Inclusion/Representation of women

| S. No. | Category | Total (A) | No. and % of females | |
|--------|----------------------------|-----------|----------------------|---------|
| | | | No. (B) | % (B/A) |
| 1 | Board of Directors | 9 | 2 | 22% |
| 2 | Key Management Personnel * | 2 | 0 | 0% |

* KMPs include Chief Financial Officer and Company Secretary

20. Turnover rate for permanent employees and workers

| Category | FY 2022-23 (Turnover rate in current FY) | | | FY 2021-22 (Turnover rate in current FY) | | | FY 2020-21 (Turnover rate in current FY) | | |
|---------------------|---|--------|--------|---|--------|--------|---|--------|--------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 12.00% | 7.50% | 11.65% | 11.22% | 8.42% | 11.02% | 8.94% | 14.17% | 9.39% |
| Permanent Workers | 5.71% | 8.40% | 5.83% | 5.89% | 1.61% | 5.96% | 12.90% | 15.27% | 13.02% |

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21 (a) Names of holding / subsidiary / associate companies / joint ventures

| S. No | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether it is a Holding / Subsidiary / Associate / or Joint Venture | No. of Offices | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|-------|---|--|----------------|--|
| 1. | Joyce Foam Pty. Limited, Australia | Subsidiary | 100% | No |
| 2. | Divya Software Solutions (P) Ltd., India | Subsidiary | 100% | No |
| 3. | Sleepwell Enterprises (P) Ltd., India | Subsidiary | 100% | No |
| 4. | International Foam Technologies SL, Spain | Subsidiary | 100% | No |
| 5. | Staqo World Pvt. Ltd., India | Subsidiary | 100% | No |
| 6. | International comfort Technologies Private Limited, India | Subsidiary | 100% | No |

VI. CSR Details:

22 a. Whether CSR is applicable as per the provision of Section 135 of Companies Act, 2013:

| | Yes |
|-------------------------|----------|
| Turnover (₹ in Crores) | 2019.82 |
| Net worth (₹ in Crores) | 1,395.57 |

VII. Transparency and Disclosures Compliances

23 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) If Yes, then provide web-link for grievance redress policy | FY 2022-23 Current Financial Year | | | FY 2021-22 (Turnover rate in current FY) | | |
|---|---|--|--|---------|---|--|---------|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | There is a dedicated email id for the communities to communicate their grievances. grievances@sleepwellfoundation.com | Nil | Nil | NA | Nil | Nil | NA |
| Investors (other than shareholders) | Investors can write about their grievances to the Compliance Officer of the Company at investorrelations@sheelafoam.com and there is webpage for investor contacts. https://sheelafoam.com/investor-contacts.html | Nil | Nil | NA | Nil | Nil | NA |
| Shareholders | Shareholders can raise their grievances through the SEBI Scores portal and through BSE/ NSE | Nil | Nil | NA | Nil | Nil | NA |
| Employees and workers | Internal employee grievance mechanism is in place. Grievances are resolved on a monthly basis through an HR Help Desk. | Nil | Nil | NA | Nil | Nil | NA |

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) If Yes, then provide web-link for grievance redress policy | FY 2022-23 Current Financial Year | | | FY 2021-22 (Turnover rate in current FY) | | |
|---|--|--|--|---------|---|--|---------|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Consumers* | Consumer Complaints are attended at centralized customer care center and are resolved expeditiously. Toll-free number: 18005705700 E-mail id: care@mysleepwell.com | 35264 | 640 | NA | 41644 | 549 | NA |
| Value Chain Partners | Our value chain partners can contact the procurement team, Quality & Assurance team or Product development team in case of any issue/grievances. | Nil | Nil | NA | Nil | Nil | NA |

Note: Consumers include distributors also.

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format

| Sr. No. | Material Issue Identified (High priority material issues are listed below) | Indicate whether risk or opportunity | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---------|--|--------------------------------------|---|--|--|
| 1 | Climate Change | Risk | The operations and business of an organization can be directly affected by critical sustainability risks such as climate change, water security, plastic waste, supply chain disruption, and sourcing challenges. Additionally, there are regulatory and transition market risks associated with the transition to a low-carbon economy. These risks encompass changing consumer preferences, increased product costs, and future government policies and regulations. | <ol style="list-style-type: none"> SFL's main consumption consists of Polyol, Polymer polyol, and Isocyanate in large quantities. The objective is to enhance bulk shipment and storage, aiming to minimize transportation impact and minimize excessive packaging. Introducing block compression for interunit transfers and utilizing Bed in a Box (BIAB) when feasible will optimize space utilization, enhance delivery efficiency, and decrease the carbon footprint. Variable Pressure Foaming (VPF) is the only closed loop slab Polyurethane foaming process available today. While it helps in manufacture of products that are differentiated as well as uses less chemicals and zero physical blowing agent in manufacturing. The role of the physical blowing agent is done by Vacuum. While predominantly the process emission is only carbon-dioxide any trace volatile organics are also extracted by the activated charcoal that is part of the closed loop equipment. It is the most sustainable next generation foam processing technique. The Company is invested deeply with second equipment expected to be fully operational in India. Overseas operations in Spain and Australia are also capitalizing on this technology. | Initiatives and endeavors aimed at mitigating climate change risks may result in additional costs in the short-to-medium term. However, these costs can be partially offset by long-term efficiency improvements. Moreover, these initiatives enhance business resilience and safeguard long-term value. |

| Sr. No. | Material Issue Identified (High priority material issues are listed below) | Indicate whether risk or opportunity | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---------|--|--------------------------------------|--|--|--|
| 2 | Energy Management | Opportunity | Energy management presents a strategic opportunity for a company like ours to reduce costs, enhance competitiveness, comply with regulations, improve reputation, drive innovation, and foster collaborations in the pursuit of sustainable and efficient operations. | <ol style="list-style-type: none"> The company's objective is to decrease reliance on power supplied by the Electricity Board (NPCL) by transitioning to solar energy electricity. Several units have already been successfully converted to solar energy. Within the next 6 months, we plan to replace diesel gen-sets with PNG (Piped Natural Gas) in the NCR region, using retrofitted devices. The remaining units will undergo assessment to determine the feasibility of accessing PNG supply from the government. | Implementing effective energy management practices can help reduce energy consumption and lower operational costs. Upon implementation of energy-efficient technologies and processes, optimizing equipment performance, and minimizing energy waste at all units, the company will significantly save on energy expenses. |
| 3 | Waste Management | Opportunity | By embracing waste management as an opportunity, we can reduce costs, enhance sustainability, comply with regulations, drive innovation, and contribute to a more circular economy. This not only benefits the company's bottom line but also strengthens its reputation and position in the market. | <ol style="list-style-type: none"> With a timeline of over 12 months, the company is focused on streamlining packaging processes by adopting a unified layering approach that facilitates recycling and eliminates PVC packaging. Prototypes will be developed and presented internally for approval. The objectives include introducing recyclable packaging, reducing plastic consumption, and enhancing productivity. This initiative involves the elimination of PVC, resulting in reduced usage, improved recyclability, and increased efficiency. The company has successfully implemented a comprehensive recycling program for polythene and plastic materials utilized in product packaging, aiming to achieve 100% recycling rates. The company is committed to a paperless mission to conserve paper, trees, and water resources. Significant progress has already been made by digitizing invoices, packing lists, planning documents, and gate records. The next phase involves establishing a paperless shop floor and eventually transitioning the entire organization into a paperless environment. | While there is increased cost of developing sustainable packaging alternatives but in the long run, the recycling and sustainable ways of packaging will be beneficial to the organization. |
| 4 | Human Rights | Risk | Adverse financial and reputational consequences may arise from instances of human rights violation or failure to comply with statutory norms. | <ol style="list-style-type: none"> To cultivate a culture of trust, comprehensive policies and procedures, including the Code of Business Conduct, Whistle Blower Policy, Policy of SFL towards Society, and POSH policy, are implemented. Measures are in place to prevent workforce discrimination, sexual harassment, and ensure a free and fair working environment for employees. | Human rights violations and regulatory non-compliance can cause reputation and financial implications |
| 5 | Human Capital Development | Opportunity | The success of the Company's operations relies on the ongoing dedication, skills, and expertise of its corporate and divisional executive teams, as well as other highly qualified employees who possess extensive knowledge in business, technology, and operations. The market for skilled professionals is highly competitive, and there is no guarantee that the Company will be able to retain these employees or recruit and train suitable replacements without incurring significant costs or experiencing delays. | <ol style="list-style-type: none"> Investing in training and development programs Offering opportunities for growth and development demonstrates our commitment to our employees' professional growth. Building a robust talent pipeline across responsibility levels through requisite quality in key roles. Maintaining the wages more than minimum wage as per applicable code. The company tries to maintain an employee friendly work environment. | Human Capital Development can improve the skills and knowledge of employees. This can lead to increased productivity, improved product quality, and operational efficiency within the company. |
| 6 | Occupational Health & Safety | Risk | Providing comprehensive training on safety procedures, compliance regulations, and ethical practices fosters a secure work environment, reduces accidents, ensures adherence to regulatory requirements, and safeguards the company against legal and reputational risks. | The company has established an On-site Emergency Control Plan, encompassing bi-annual mock drills involving government authorities and neighboring large industries. Additionally, regular safety training sessions are conducted, and all employees at the manufacturing plants are equipped with necessary safety gear. | Non-adherence to the health and safety protocols can impact on health and well-being of employees at the Company. |
| 7 | Product Quality & Safety | Risk | Implementing robust quality control measures and adhering to safety regulations are vital in order to prevent product recalls, mitigate legal repercussions, and safeguard SFL's reputation. It is crucial for us to not only maintain our own adherence to these standards but also ensure that our suppliers and partners uphold similar quality and safety practices. | SFL guarantees compliance with Restriction of Hazardous Substances (RoHS) and REACH regulations, ensuring that all produced foams meet the required standards without the utilization of restricted or harmful chemicals. The company has incorporated NeemFresche technology, sourced from sustainable coconut plantations. This innovative solution physically eliminates pathogens and maintains long-lasting effectiveness. Unlike other protectants, NeemFresche forms durable bonds with cellular structures, ensuring continued protection even with prolonged use and frequent washes. Moreover, NeemFresche has no adverse environmental impact, making it safe for use without any leaching into the air, soil, or water. | Enhancing product quality always provide an enhancement to brand presence and reputation, |

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--|---|-----|-----|-----|-----|-----|-----|-----|-----|
| Policy and Management Processes | | | | | | | | | |
| 1 a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| c. Web Link of the Policies, if available | Some of our policies are available at https://www.sheelafoam.com/investor.html . Other internal policies are placed on the intranet of the Company and are open to access by the relevant stakeholders. | | | | | | | | |
| 2 Whether the entity has translated the policy into procedures. (Yes / No) | The Company has translated the policies and incorporated the principles in its processes and procedures, as applicable. | | | | | | | | |
| 3 Do the enlisted policies extend to your value chain partners? (Yes/No) | The Company is in the process of documenting a Supplier's / Vendor's Code of Conduct that will largely cover the abovementioned principles, and the Company expects its suppliers/vendors to follow the same | | | | | | | | |
| 4 Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | ISO 9001, ISO 27001, ISO 20000-1, IATF 16949, LEED Certificate for corporate office, SEDEX, BIS Product Certification License IS 7953: 1975, Great Place To Work | | | | | | | | |
| 5 Specific commitments, goals and targets set by the entity with defined timelines, if any. | <ol style="list-style-type: none"> 1. Eliminate PVC from all our packaging 2. All the polythene or plastic used in packaging of the products must be 100% recycled. 3. Going paperless in our operations | | | | | | | | |
| 6 Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | <p>We constantly monitor the performance towards ESG Goals and take adequate actions wherever required. We have a robust governance mechanism to monitor the progress of these goals.</p> <p>Various initiatives undertaken by the company to achieve sustainability goals include:</p> <ol style="list-style-type: none"> 1. PVC has been eliminated from all our packaging. 2. Simplifying packaging from current multi-layer format to similar material layering for ease of recycling. 3. We have digitized our invoicing, packing lists, planning documents and gate records. We aim to make our shop floor completely paperless. | | | | | | | | |
| Governance, Leadership and Oversight | | | | | | | | | |
| 7 Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements Mr. Rahul Gautam (Chairman & Managing Director) As a value-driven and ethical organization, we are committed to embedding sustainability into our business and we will prioritize ESG considerations in our decision-making processes at Sheela Foam. This year we are also publishing the Business Responsibility and Sustainability Report (BRSR). We believe that this will enhance trust and transparency with our stakeholders. We are excited about the potential for positive impact and are dedicated to creating a more sustainable future for our company, our stakeholders, and the planet. | | | | | | | | | |
| 8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Mr. Rahul Gautam, Chairman & Managing Director (DIN: 00192999) | | | | | | | | |
| 9 Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | <p>Yes. The company has extended the 'Risk management committee' to 'Risk Management and ESG committee' to be responsible for decision making on sustainability related issues. The Risk management and ESG committee comprises of 5 members.</p> <p>Mr. Vijay Kumar Ahluwalia : Chairperson Mr. Som Mittal : Member Mr. Rakesh Chahar : Member Mr. Tushaar Gautam : Member Dr. Mahesh Narayanan Gopalamudram : ESG controller</p> | | | | | | | | |

10. Details of Review of NGRBCs by the Company:

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify) | | | | | | | | |
|--|---|----|----|----|----|----|----|----|----|--|----|----|----|----|----|----|----|----|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action | Policies, wherever stated, have been approved by the Board / functional heads. Polices are reviewed as and when required. | | | | | | | | | | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | The Company is in compliance with all the statutory laws and regulations as applicable. Further, the compliance monitoring is done regularly. | | | | | | | | | | | | | | | | | |

| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--|--|----|----|----|----|----|----|----|----|
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency | No, however, the Managing director along with the board evaluates the implementation of the policies. Polices are reviewed at periodic intervals depending on the statutory requirements or on need basis. | | | | | | | | |

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Not applicable since the policies and procedures of the Company cover all principles of NGRBCs

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE
PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

| Segment | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|--|--|--|--|
| Board of Directors Key Management Personnel | 12 | During the reporting year, the company presented a note on business review and a presentation on the business developments and financial performance of the Company to the Board and Management on a regular basis, to keep them apprised of the latest developments. The topics include but are not limited to risk management and mitigation plans, customer complaint management, sales and marketing, finance, inventory management and procurement, treasure management, information technology, online sales, production plan execution and control, export opportunities etc. | 93% |
| Employees other than BODs and KMPS | 14 | <ol style="list-style-type: none"> 1. Communication and listening 2. Workshop on Major Accidents and Hazards Control, 3. Employee health and safety - Fire safety, electrical safety, etc. 4. POSH (Prevention of Sexual Harassment) 5. Slabstock PU Foam 6. Enhancing safety through effective leadership 7. Cyber Security | 51% |
| Workers (Contractual) | | On the job trainings are mandatory. No special trainings | |

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.**

| a. Monetary | | | | | |
|-----------------|-----------------|---|-----------------|-------------------|--|
| Type | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine | | | | | |
| Settlement | | | Nil | | |
| Compounding fee | | | | | |

| b. Non-Monetary | | | | | |
|-----------------|-----------------|---|-----|-------------------|--|
| Type | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | | Brief of the case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | | | | | |
| Punishment | | | Nil | | |

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|----------------|---|
| Not applicable | Not Applicable |

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, Sheela Foam Limited has an anti-corruption and bribery policy as a part of our internal general policies. It is our policy to conduct all of our businesses in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption. We are committed to act professionally, fairly and with integrity in all our relationships and business dealings wherever we operate. We are also committed to implement and enforce effective systems to counter bribery. Some of our codes / policies are available at <https://www.sheelafoam.com/investor.html>. Other internal policies are placed on the intranet of the Company and are open to access by the pertinent stakeholders.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

| Category | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|-----------|--|---|
| Directors | | |
| KMPs | | |
| Employees | Nil | Nil |
| Workers | | |

6. **Details of complaints with regard to conflict of interest:**

| Topic | FY 2022-23 (Current Financial Year) | | FY 2021-22 (Previous Financial Year) | |
|--|--|---------|---|---------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | | | | |
| Number of complaints received in relation to issues of Conflict of Interest of KMPs | | Nil | | Nil |

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

| Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | %age of persons in value chain covered by the awareness programmes |
|--|---|--|
| 25 | P5: Child Labor P3: Safety P9: Customer Complaints | 44% (Suppliers) |
| 20 | P3: Saathi Skill Development Program | 100% (distributors) |
| 11 | P9: Induction for Call Centre Team | 100% (call center team) |

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has a Code of Conduct for Board of Directors and senior management personnel which provides clear guidelines for avoiding and disclosing actual or potential conflict of interest with the Company. It states below:

The Board of Directors, Key Managerial Personnel and the Senior Management Personnel shall not enter into any transaction which is or may likely to have a conflict with the interest of the Company and shall not engage any of its relative(s), or any other person or entity, for the purposes of circumventing the personal interest involved. The Board of Directors, Key Managerial Personnel and the Senior Management Personnel shall not take up any position or engagement that may be prejudicial to the interest of the Company. The Executive Director(s), Key Managerial Personnel and the Senior Management Personnel shall not take up any outside Employment.

The Code of Conduct can be accessed at: <https://www.sheelafoam.com/pdf/investor/code-of-conduct-sheela-foam.pdf>

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

| Type | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) | Details of improvement in social and environmental aspects |
|------------------------------|---|--|---|
| Research & Development (R&D) | ~₹ 73.7 lacs | | <ul style="list-style-type: none"> Designing of product for Indian Railways involving special feature of complying with human safety in case of any fire incidents. This is achieved while complying with certain standards defined for the usage in the Railways. This product restricts the emissions during fire within the limits which are allowed for human exposure and allow them to escape safely. |
| Capital Expenditure (CAPEX) | ~₹ 108.9 lacs | ~₹ 6.6 lacs | <ul style="list-style-type: none"> VPF process is virtually emission free. VPF technology enables us with the foundation of many eco-friendly foam products with improved physical properties. No need of ABAs(Auxiliary Blowing Agents) as required in traditional foaming process due to its closed chamber process and eventually reducing emissions with maximum levels. This process reduces the usage of chemicals which are not environmentally friendly and has health hazards. VPF technology enables us to produce unique products with value enhancements leading to a competitive edge over other technologies. During production on VPF technology, persons working around are quite comfortable because of no emissions and closed chamber production. If any of the emissions generated, they are captured by carbon beds used in process before they are released to open environment making this production process completely clean and exceeding the most stringent environmental regulations. |

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Though we do not have a formal sustainable sourcing policy, in practice, we carefully select and onboard vendors with robust infrastructure and good manufacturing practices. We strive to enhance vendor infrastructure by implementing solventless lamination in packaging, using compliant granules and inks, maintaining machines and Effluent Treatment Plants effectively, minimizing color dyeing in fabrics, and sourcing foaming inputs from reputable industry leaders. We also aim at eliminating/ minimizing restricted raw materials from products.

b. If yes, what percentage of inputs were sourced sustainably?

The Company is in the process of setting up governance mechanisms to track this data digitally.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

- (a) Plastics (including packaging): As a brand owner, we recycle the plastic waste being produced our manufacturing process (including packaging) through a government registered vendor.
- (b) E-waste: E-waste materials are sold out to authorized e-waste vendors only.
- (c) Hazardous waste: We have been procuring TDI in bulk quantity through tanker and rarely the procurement is made through the drum. Since drums contain stains of TDI therefore we take utmost care and sell them to government authorized agencies only, who further recycle the same.

- (d) Other waste: The wastepaper generated in the production process and from the units are being sold out to the authorized vendor, who further uses them in the manufacturing process of molded paper plates & bowl etc. Additionally, the waste foam- (offcuts/trims) generated from the production process is sold out to the recycling processor which further uses them in the production of rebonded foam. Units segregate all waste and store it separately for further disposal. Further non-hazardous waste is being sold out to local scrap dealers only.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR is applicable to the company. As a leading manufacturer in the foam industry, it is important that we ensure the safe disposal of pre-consumer and post-consumer packaging.

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Nil

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Since LCA is not conducted, Environmental and Social impacts of our products are presently not known.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

| Indicate Input Material | Recycled or re-used input material to total material | |
|-------------------------|--|---|
| | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
| Recycled Fiber Pillows | 100% | 100% |
| Re-bonded Foam | 91% | 100% |

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

| | FY 2022-23 Current Financial Year | | | FY 2021-22 (Turnover rate in current FY) | | |
|--------------------------------|---|----------|-----------------|---|----------|-----------------|
| | Reused | Recycled | Safely Disposed | Reused | Recycled | Safely Disposed |
| Plastics (including packaging) | The Company is in the process of setting up governance mechanisms to track this data digitally. | | | | | |
| E-waste | | | | | | |
| Hazardous waste | | | | | | |
| Other waste | | | | | | |

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---------------------------|---|
| | Nil |

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

| Category | Total (A) | Health & Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day Care Facilities | |
|---|------------|-----------------------------|-------------|--------------------|-------------|--------------------|------------|---------------------|------------|
| | | Number (B) | % (B / A) | Number (C) | % (C / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| Permanent | | | | | | | | | |
| Male | 612 | 612 | 100% | - | - | Nil | Nil | Nil | Nil |
| Female | 54 | 54 | 100% | 54 | 100% | Nil | Nil | Nil | Nil |
| Total | 666 | 666 | 100% | 54 | 100% | Nil | Nil | Nil | Nil |
| Other than Permanent (Contractual) | | | | | | | | | |
| Male | 25 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Female | 16 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Total | 41 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

Details of measures for the well-being of workers:

| Category | Total (A) | Health & Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day Care Facilities | |
|---|-------------|-----------------------------|-------------|--------------------|-------------|--------------------|----------|---------------------|-------------|
| | | Number (B) | % (B / A) | Number (C) | % (C / A) | No. | % | Number (B) | % (B / A) |
| Permanent | | | | | | | | | |
| Male | 1197 | 1197 | 100% | - | - | - | - | Nil | Nil |
| Female | 59 | 59 | 100% | 59 | 100% | - | - | Nil | Nil |
| Total | 1256 | 1256 | 100% | 59 | 100% | - | - | Nil | Nil |
| Other than Permanent (Contractual) | | | | | | | | | |
| Male | 741 | 741 | 100% | - | - | - | - | 741 | 100% |
| Female | 42 | 42 | 100% | 42 | 100% | - | - | 42 | 100% |
| Total | 783 | 783 | 100% | 42 | 100% | - | - | 783 | 100% |

2. Details of retirement benefits, for Current FY and Previous Financial Year:

| Sr. No. | Benefits | FY 2022-23 (Current FY) | | | FY 2021-22 (Previous FY) | | |
|---------|-------------------------|--|---|--|--|---|--|
| | | No. of employees covered as a % of total employees | No. of workers covered as a % of total worker | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total worker | Deducted and deposited with the authority (Y/N/N.A.) |
| 1 | PF | 100% | 100% | Y | 100% | 100% | Y |
| 2 | Gratuity | 100% | 100% | NA | 100% | 100% | NA |
| 3 | ESI | 1.1% | 57.3% | Y | 1% | 43% | Y |
| 4 | Others - please specify | - | - | - | - | - | - |

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

We understand the importance of meeting the requirements of the Rights of Persons with Disabilities Act, 2016. Our company has implemented various measures to provide accessible infrastructure at corporate office and plants to support differently abled employees and worker.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the company has an Equal Opportunity Policy as part of internal HR policies (Anti-Discrimination Policy). It states as following: Sheela Foam is an "equal opportunity employer." Sheela Foam will not discriminate and will take "affirmative action" measures to ensure against discrimination in employment, recruitment, advertisements for employment, compensation, termination, upgrading, promotions, and other conditions of employment against any employee or job applicant on the bases of race, creed, color, national origin, or gender. Internal policies are accessible on the intranet to the pertinent stakeholders.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent Employees | | Permanent Workers | |
|--------------|---------------------|----------------|---------------------|----------------|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | - | - | - | - |
| Female | 100% | 100% | 100% | 100% |
| Total | 100% | 100% | 100% | 100% |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| Category | Yes/No | Details of the mechanism in brief |
|--------------------------------|--------|---|
| Permanent Workers | Yes | The company has an Employees Grievance Redressal Policy in place internally available to all employees and workers. An employee may face any problem or has concern about his/her work, working environment, or working relationships that he/she wish to raise with someone in the organization. The Company encourages free communication between the employee and the Supervisor / Manager / Head of Function to ensure such problems and concerns can be resolved in the quickest and fairest possible way and at the lowest possible level within the organization. The mechanism has 3 stages of escalation and grievance raised is treated in the strictest of confidence. |
| Other than Permanent Workers | Yes | |
| Permanent Employees | Yes | |
| Other than Permanent Employees | Yes | |

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

| Category | FY 2022-23 (Current FY) | | | FY 2021-22 (Previous FY) | | |
|----------------------------|--|--|---------|--|--|--------|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B/A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | %(D/C) |
| Permanent Employees | | | | | | |
| Male | Nil | | | Nil | | |
| Female | | | | | | |
| Others | | | | | | |
| Total | | | | | | |
| Permanent Workers | | | | | | |
| Male | Nil | | | Nil | | |
| Female | | | | | | |
| Others | | | | | | |
| Total | | | | | | |

8. Details of training given to employees and workers:

| Category | FY 2022-23 (Current FY) | | | | | FY 2021-22 (Previous FY) | | | | |
|------------------|-------------------------|-----------------------------|-------------|----------------------|-------------|--------------------------|-----------------------------|-------------|----------------------|-------------|
| | Total (A) | On Health & Safety measures | | On Skill Upgradation | | Total (D) | On Health & Safety measures | | On Skill Upgradation | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| Employees | | | | | | | | | | |
| Male | 637 | 637 | 100% | 637 | 100% | 647 | 647 | 100% | 647 | 100% |
| Female | 70 | 70 | 100% | 70 | 100% | 49 | 49 | 100% | 49 | 100% |
| Total | 707 | 707 | 100% | 707 | 100% | 696 | 696 | 100% | 696 | 100% |
| Workers | | | | | | | | | | |
| Male | 1938 | 1938 | 100% | 1938 | 100% | 1997 | 1997 | 100% | 1997 | 100% |
| Female | 101 | 101 | 100% | 101 | 100% | 120 | 120 | 100% | 120 | 100% |
| Total | 2039 | 2039 | 100% | 2039 | 100% | 2117 | 2117 | 100% | 2117 | 100% |

9. Details of performance and career development reviews of employees and worker:

| Category | FY 2022-23 (Current FY) | | | FY 2021-22 (Previous FY) | | |
|------------------|--|--|-------------|--|--|-------------|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who had a career review (B) | % (B/A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who had a career review (D) | %(D/C) |
| Employees | | | | | | |
| Male | 612 | 612 | 100% | 647 | 647 | 100% |
| Female | 54 | 54 | 100% | 49 | 49 | 100% |
| Total | 666 | 666 | 100% | 678 | 678 | 100% |
| Workers | | | | | | |
| Male | 1197 | 1197 | 100% | 1997 | 1997 | 100% |
| Female | 59 | 59 | 100% | 120 | 120 | 100% |
| Total | 1256 | 1256 | 100% | 2117 | 2117 | 100% |

10. Health and safety management system:

| | |
|--|--|
| a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No) | Yes |
| a. 1 What is the coverage of such system? | All employees and workers |
| b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity? | Check lists, SOPs, work permit systems, safety audits, regular safety committee meetings are some of the processes to identify work related hazards. HAZOP study and risk assessment of the plant is also conducted. |
| c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Yes/No) | Yes |
| d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No) | Yes |

11. Details of safety related incidents, in the following format:

| Safety Incident/Number | Category | FY 2022-23 (Current FY) | FY 2021-22 (Previous FY) |
|--|-----------|----------------------------|-----------------------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | NA | NA |
| | Workers | NA | NA |
| Total recordable work-related injuries | Employees | 3 | 0 |
| | Workers | 20 | 33 |
| No. of fatalities | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | NA | NA |
| | Workers | NA | NA |

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

To ensure a safe and healthy workplace, daily safety talks before the start of the routine activities are conducted. 'Toolbox Talk' on various safety topics of daily importance is organized by Shop Engineers / Shift In-charge to sensitize workers about workplace safety. Unit wise fire safety members called as 'crew team members' are aligned along with fire extinguisher attached to them. There is more than required stored water for fire prevention. We conduct regular trainings on good health and safety practices as well.

Safety audits are conducted regularly to ensure everything is in compliance. There is full compliance of OS&H (Occupational Safety and Health) and related applicable legal requirements and other requirements.

13. Number of Complaints on the following made by employees and workers:

| Topic | FY 2022-23 (Current Financial Year) | | | FY 2021-22 (Previous Financial Year) | | |
|--------------------|-------------------------------------|---------------------------------------|---------|--------------------------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 0 | NA | - | 0 | NA | - |
| Health & Safety | 0 | NA | - | 0 | NA | - |

14. Assessments for the year:

| Topic | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|--|
| Health and safety practices | 100% |
| Working Conditions | 100% |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

1. Wheel chokes were applied to arrest accidental movement of the chemical tankers.
2. Pipeline Color Codes followed by SFL displayed at vital places to know what contents are being carried across the pipelines.
3. Toe Board / Toe Guard provided on the first floor of process area to prevent fall of tool/material inadvertently.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, for all permanent employees.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners

The Company is compliant with deduction of statutory dues of employees towards income tax, provident fund, ESIC etc. as applicable from time to time. Value chain partners (vendors, distributors) are also encouraged to comply as per the business agreements with the Company.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

| Category | Total no. of affected employees/ workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|-----------|--|---|---|---|
| | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
| Employees | NIL | NIL | NIL | NIL |
| Workers | NIL | NIL | NIL | NIL |

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No).

Yes. The Company provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.

5. Details on assessment of value chain partners:

| Topic | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|---|
| Health and safety practices | 44% |
| Working Conditions | |

Note: Only suppliers are accounted in the calculation of the %age of value chain partners assessed on health & safety and working conditions.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS**1. Describe the processes for identifying key stakeholder groups of the entity:**

SFL has mapped its internal and external stakeholders and based on the valuation provided in the value chain and relevance for the organization, the major/ key categories include:

- Investors
- Shareholders
- Employees
- Customers
- Community organizations/ NGOs
- Vendors / Suppliers / Contractors of goods and services
- Distributors & dealers
- Government & Regulatory Authority

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly /others - please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|--------------------------------|--|---|---|---|
| Shareholder | No | Website, Shareholder Meetings, Email, Central Telephone Number, Notice, Newspaper | Quarterly | <ul style="list-style-type: none"> • Awareness (Q&A) session on performance and results of the company • Annual General Meeting |
| Investor | No | Meeting, Notice, Newspaper, Email, Website | Regularly | <ul style="list-style-type: none"> • Resolve any queries received from investors. • Showcase an overview of SFL's business performance, strengths, future strategy, etc. |
| Employees | No | Email, ERP, SMS, Townhall Meetings | As and when required | <ul style="list-style-type: none"> • Career development, diversity and equal opportunity, health and safety, skill upgradation, learning and development, organisational culture/ workplace, grievances and remuneration |
| Customers | No | Stores, Experience, Advertising, Newspaper, pamphlets, Hoarding/ banner, SMS, website, phone | As and when required | <ul style="list-style-type: none"> • Offers • Brand awareness • New product development • Product feedback |
| Community organizations / NGOs | Yes | Need assessments for CSR projects through surveys and focused group discussions | As and when required | <ul style="list-style-type: none"> • Assessment of community needs • Selection of new projects based on needs • Monitoring and evaluation of on-going projects |

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly /others - please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|--|---|---|--|
| Vendors / Suppliers / Contractors of goods and services | No | Physical meetings, Emails, Telephone | Frequent and as may be required | <ul style="list-style-type: none"> • New business opportunities • Query Resolution & Grievance Redressal. • Supplier performance assessment. • Addressing non-compliance issues • Signing / breach of contract. |
| Distributors and dealers | No | Physical meetings, Emails, Telephone, conferences | Frequent and as may be required | <ul style="list-style-type: none"> • Query Resolution & Grievance Redressal. • Distributor's performance assessment. • Addressing non-compliance issues. |
| Government and regulatory authorities | No | Written communications, Presentations, Industry associations, websites, advertisements | Frequent and as may be required | <ul style="list-style-type: none"> • Understanding and adherence to local governance • Seeking clarifications and relaxation • Communicating challenges and providing recommendations. |

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company has in place a Stakeholders Relationship Committee of the Board ("SRC") which has been constituted by the Board for speedy redressal of grievances/ complaints relating to stakeholders / investors, and also has in place a Corporate Social Responsibility Committee, which identifies CSR activities to be undertaken by the Company, affecting communities in areas or subject as specified in Schedule VII of the Act and Rules made thereunder. Further, a dedicated email id is also available for community/ NGOs to register their grievances. The Risk Management Committee has also been constituted to identify elements of risk in different areas of operations. The committee evaluates significant risk exposures of the company and assess management's actions to mitigate the exposures in a timely manner. This also includes the ESG risks. The observations of each of these Committees are duly intimated to the Board at its respective meeting. Value Chain Partners may register their complaints / grievances / concerns directly with the head of the concerned department of the Company. All employees of the Company have direct access to the to the Chairman of the Audit Committee under the Vigil Mechanism implemented by the Company through which Directors, Senior Management & Employees may report breach of Code of Conduct including Code of Conduct for Insider Trading, unethical business practices, illegality, fraud, corruption, leak of unpublished price sensitive information pertaining to the Company etc. at workplace without fear of reprisal.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Stakeholder consultation is eminent to in order to create long-term value and we take steps to understand each stakeholder group's needs and priorities through several mediums, including direct engagement or via delegated committees and forums.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

EMOTIONAL WELLNESS PROGRAMME:

Sleepwell foundation is championing the advocacy of "substituting the term mental with emotional and bringing proactiveness in emotional wellness.

Our Initiative supports the IEC activities of the Government of India's National Mental Health Program (NMHP) for the purpose of increasing awareness of mental health. Through our initiatives we create literacy and build awareness of proactive emotional wellness. We have created a total reach of 435 million people.

Our interventions include conducting educational workshops for Children and Youth, organizing training programmes for Teachers and creating Counsellors at the community level. Topics like Gender Sensitization, Examination Stress Management, Menstruation Health and Hygiene,

Prevention of Bullying in Schools, Enhancing Perception and Communication are intended to educate children and adolescents and PROTECT THEM FROM VULNERABILITY IN LIFE AND CREATE AN EMOTIONALLY SAFE SPACE for their growth. We leverage social media to enhance Emotional Wellness through Information, Education and Communication. Our films on emotional wellness have millions of viewers and are bringing behavior and attitude change in society. Our program BBCS - Barefoot Basic Counselling Skills Workshops CREATES MENTAL HEALTH COUNSELLORS AT THE GRASSROOTS LEVEL. It is a step toward addressing an acute shortage of counsellors in India.

SKILL DEVELOPMENT PROGRAMME:

Set up Sleepwell Foundation Skill Development Centre at Village Mirpur on the outskirts of Khurja, (UP). The Centre has TRAINED MORE THAN 8000 RURAL YOUTH and is helping to meet the objectives of the National Skill Development Corporation (NSDC) in filling the skill gap and achieving the vision of a 'Skilled India'.

Sleepwell Foundation is a firm believer in the power of Proactiveness and creating opportunities before even when the need arises. Preventive or proactive approach helps in alleviating many challenges much before they become acute issues and is many times able to nip the problem in the bud.

While recognizing the need for preparing the Rural Youth, Sleepwell Foundation was proactive in establishing Col Gautam Academy for armed forces, a training academy for recruitment in the Indian army and paramilitary forces. The Academy is focused on skilling both Girls and Boys desirous of joining the armed forces. It provides Physical and Classroom training along with all the necessary information and guidance regarding recruitment procedures of the Army, Navy, Air Force, Police, RPF, CISF, BSF, ITBP and other allied services. Sleepwell Foundation understands the social fabric of rural areas that puts various restrictions on young women to move out to distant locations for their livelihood. We introduce skilling courses that are meaningful, productive and sustainable in the context of the Rural and semi-urban economy. We aim at empowering the youth within the ambit of the social framework so that they not only get gainfully employed but also grow and contribute to the economy of the place.

MasterG fashion designing course for women is one such course in this direction.

Patternmaking in garment manufacturing has been a man's job and the role of a pattern maker, colloquially called 'Masterji', has always been passed from father to son in a traditional set-up. At MasterG, we democratize the art of pattern making to give women the tools for imagination that help them in redesigning their lives.

PARAMEDICAL COURSES: The Covid-19 pandemic has brought to light the acute shortage of healthcare

professionals in rural India and cast a spotlight on rural-urban health inequalities. Besides, the pandemic also highlighted a great scope in the paramedical sector because of the high number of job opportunities in the fast-growing medical industry. To capitalize on this emerging opportunity, we introduced Paramedical Courses at SDC Khurja. Our paramedical courses are affiliated with DPMI, a leader in providing healthcare training in India. The courses saw overwhelming participation, both male and female, and on course completion, almost all of our trainees are interned at Govt. Hospitals and other health care facilities in and around Khurja.

In conforming with SDG 3, our paramedical courses aim to achieve universal health coverage, that seeks equitable access to healthcare services for all men and women in the rural setting.

SELLING SKILL COURSE: Sales is the backbone of any business with millions of people employed under its ambit. In recognizing the vast potential this trade offers especially in view of upcoming "Noida International Airport" at Jewar (UP), we have introduced SELLING SKILL COURSE at our SDC Khurja campus. The course is intended to provide basic selling skills to the trainees in tandem with modern marketing principles to make them effective salespeople. The course is taught by an expert in the industry and is expected to open millions of opportunities and offer decent work for all those who pass out with this skillset.

COMPUTER AND ENGLISH LESSONS: Finally, all our trainees at SDC Khurja undergo Computer and English lessons mandatorily. It is perceived that knowledge of Computers and English are the currencies of the world. Without these, our youth from Rural India would always be lagging behind. We want them to be always at home, wherever they go, whatever they do in their lives. In the last 4 years of the inception of SDC Khurja, thousands of youth were trained our trainees are well placed in the Armed forces and leading Corporates. Many have chosen the path of entrepreneurship and set up businesses that provide self-employment and improve the economy as well as their quality of living.

ON & OFFLINE WORKSHOPS: We conduct on & offline workshops for youth at national level

HOW TO START A BUSINESS WORKSHOPS : (A series of 3-Day Workshop, conducted for ITI/Diploma Students, Graduates & Pursuing Graduates etc. of various colleges) to prepare and motivate youth to set-up their own business, thereby addressing unemployment issues.

ENHANCE YOUR PROFESSIONAL EFFECTIVENESS WORKSHOPS: A series of 4-Day Workshop, conducted for Supervisors and middle management team of SMEs to enhance their soft skills and thereby increasing productivity of the organizations where they are employed.

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category | FY 2022-23 Current Financial Year | | | FY 2021-22 Previous Financial Year | | |
|------------------------|-----------------------------------|--|------------|------------------------------------|--|------------|
| | Total (A) | No. of employees / workers covered (B) | % (B / A) | Total (C) | No. of employees / workers covered (D) | % (D / C) |
| Employees | | | | | | |
| Permanent | 666 | Nil | Nil | 637 | Nil | Nil |
| Other than permanent | 41 | Nil | Nil | 24 | - | - |
| Total Employees | 707 | Nil | Nil | 661 | Nil | Nil |
| Workers | | | | | | |
| Permanent | 1256 | Nil | Nil | 1427 | Nil | Nil |
| Other than permanent | 783 | Nil | Nil | 818 | Nil | Nil |
| Total Workers | 2039 | Nil | Nil | 2245 | Nil | Nil |

2. Details of minimum wages paid to employees and workers, in the following format:

| Category | FY 2022-23 (Current Financial Year) | | | | | FY 2021-22 (Previous Financial Year) | | | | |
|-----------------------------|--|---------------------------------------|--------------------------------------|---|--|---|---------------------------------------|--------------------------------------|---|--|
| | Total Count in Current FY | Number of Employees Paid Minimum wage | % age of Employees Paid Minimum wage | Number of Employees Paid more than Minimum wage | % age of Employees Paid more than Minimum wage | Total Count in Previous FY | Number of Employees Paid Minimum wage | % age of Employees Paid Minimum wage | Number of Employees Paid more than Minimum wage | % age of Employees Paid more than Minimum wage |
| Employees | | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | 612 | - | - | 612 | 100% | 585 | - | - | 585 | 100% |
| Female | 54 | - | - | 54 | 100% | 52 | - | - | 52 | 100% |
| Other than permanent | | | | | | | | | | |
| Male | 25 | - | - | 25 | 100% | 14 | - | - | 14 | 100% |
| Female | 16 | - | - | 16 | 100% | 10 | - | - | 7 | 100% |
| Workers | | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | 1197 | - | - | 1197 | 100% | 1367 | - | - | 1367 | 100% |
| Female | 59 | - | - | 59 | 100% | 60 | - | - | 60 | 100% |
| Other than Permanent | | | | | | | | | | |
| Male | 741 | - | - | 741 | 100% | 760 | - | - | 760 | 100% |
| Female | 42 | - | - | 42 | 100% | 58 | - | - | 58 | 100% |

3. Details of remuneration/salary/wages, in the following:

| | Male | | Female | |
|----------------------------------|----------------|---|--------|---|
| | No. | Median remuneration/ salary/ wages of respective category | No. | Median remuneration/ salary/ wages of respective category |
| Board of Directors | 7* | 23,480,000 | 2 | 22,736,000 |
| Key Managerial Personnel (1) | 2 [#] | 685894 | - | - |
| Employees other than BoD and KMP | 608 | 51355 | 53 | 50968 |
| Workers | 1197 | 20069 | 59 | 20184 |

Note: * Independent directors are excluded from the remuneration calculation due to their non- involvement in day-to- day activities.

[#] KMPs includes CS and CFO.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the company Chief Human Resource Officer (CHRO) is the focal point responsible for addressing human rights impacts or issues caused or contributed to by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The company has the Employee grievance mechanism policy internally accessible on the intranet to all the employees. Under these policies, we have established 4 levels of escalation.

6. Number of Complaints on the following made by employees and workers:

| | FY 2022-23 (Current Financial Year) | | | FY 2021-22 (Previous Financial Year) | | |
|------------------------------------|-------------------------------------|---------------------------------------|---------|--------------------------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | Nil | Nil | - | Nil | Nil | - |
| Discrimination at workplace | Nil | Nil | - | Nil | Nil | - |
| Child Labour | Nil | Nil | - | Nil | Nil | - |
| Forced Labour / Involuntary Labour | Nil | Nil | - | Nil | Nil | - |
| Wages | Nil | Nil | - | Nil | Nil | - |
| Other human rights related issues | Nil | Nil | - | Nil | Nil | - |

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has an Anti-Social Harassment policy in place which is in line with the requirements of Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act 2013. The Internal system has been set up to redress complaints received regarding sexual harassment.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

SFL encourages suppliers to provide an inclusive and supportive working environment and to exercise diversity when it comes to their employees as well as in their decisions to select subcontractors.

9. Assessments for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|--|
| Child labor | 100% |
| Forced/involuntary labor | The Company recognizes that the success of Company's business, quality of work and brand perception depends on the ability and commitment of its employees. Human rights practices like prevention of Child labour, Forced/involuntary labour, are taken care during hiring process. |
| Sexual harassment | |
| Discrimination at workplace | |
| Wages | The Company has policy relating to Anti-Social Harassment, which is committed to creating a healthy and safe working environment that enables employees to work without fear of prejudice, bias and sexual harassment. |
| Others - please specify | |

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Not Applicable, as the Company has not received any grievance/complaint

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Please refer response to Question number 9 of Principle 5.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, offices and plants are accessible to differently abled visitors.

4. Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed |
|----------------------------------|--|
| Sexual harassment | 44% of suppliers |
| Discrimination at workplace | SFL encourages suppliers to provide an inclusive and supportive working environment and to exercise diversity when it comes to their employees. SFL on board vendors who have operations in formal industrial areas i.e. aspects like child labor, forced labor etc. are continuously monitored by assigned authorities of the industrial areas. |
| Child labour | |
| Forced labour/involuntary labour | |
| Wages | |
| Others - please specify | |

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|---|--|---|
| Total electricity consumption (A) | 30197.4 GJ | 27148.9 GJ |
| Total fuel consumption (B) | 3361.5 GJ | 6134 GJ |
| Energy consumption through other sources (C) | - | - |
| Total energy consumption (A+B+C) | 33558.9 GJ | 33282.9 GJ |
| Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) | | |
| Energy intensity (optional) - the relevant metric may be selected by the entity | - | - |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yeas, name of the external agency.

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The Company does not have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

| Parameter | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|--|--|---|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | 0 KL | 0 KL |
| (ii) Groundwater | 35571 KL | 74251 KL |
| (iii) Third party water | 20817 KL | 2402 KL |
| (iv) Seawater / desalinated water | 0 KL | 0 KL |
| (v) Others | 0 KL | 0 KL |
| Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v) | 56388 KL | 76653 KL |
| Water intensity per rupee of turnover (Water consumed in kilolitres / turnover in crores) | | |
| Water intensity (optional) - the relevant metric may be selected by the entity | | |
| Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? | No | No |

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

We do not have any water discharge generating from our operations. We have installed STP at our Corporate Office and plants at Greater Noida, Hyderabad, Jalpaiguri, Kalamb, Erode and Talwada, which treats the water used for domestic purposes. The treated water is then reused and recycled for gardening or sent back to earth for recharge, as appropriate.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter | Please specify unit | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|-------------------------------------|---------------------|--|---|
| NOx | kg | Not available | Not available |
| SOx | - | Not available | Not available |
| Particulate matter (PM) | - | Not available | Not available |
| Persistent organic pollutants (POP) | - | Not available | Not available |
| Volatile organic compounds (VOC) | - | Not available | Not available |
| Hazardous air pollutants (HAP) | - | Not available | Not available |
| Others - please specify (CO) | kg | Not available | Not available |

Note: SFL is compliant with the state pollution control board recommended industrial air quality norms

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external

No.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| Parameter | Unit | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|---|---|--|---|
| Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | The Company is in the process of computing the GHG emissions generated | |
| Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | | |

| Parameter | Unit | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|--|---|--|---|
| Total Scope 1 and Scope 2 emissions intensity | Metric tonnes of CO2 equivalent / crore of turnover | | |
| Total Scope 1 and Scope 2 emission intensity (optional)- the relevant metric may be selected by the entity | - | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not applicable

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide detail

1. Installation of solar plants and LED lights.
2. Solar power project, project on conversion of DG sets from diesel to PNG in Greater Noida plant.
3. Vertical Variable Pressure Foaming (VPF) technology to reduce fumes and GHG emissions
4. 95% of lighting is with LED in Rajpura plant

8. Provide details related to waste management by the entity, in the following format:

| Parameter | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|--|--|---|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste | 107.45 MT | 23.2 MT |
| E-waste | 13.78 MT | 14.3 MT |
| Bio-medical waste | Nil | Nil |
| Construction and demolition waste | 4.5 MT | Nil |
| Battery waste | 2.52 MT | Nil |
| Radioactive waste | Nil | Nil |
| Other Hazardous waste. Please specify, if any. | 34.4 MT | 0.272 |
| Other Non-hazardous waste generated. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | 1259.6 MT | 3051.80 MT |
| Total | 1422.30 MT | 3107.83 MT |

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

| Category of waste | |
|---------------------------------|-----|
| (i) Recycled | Nil |
| (ii) Re-used | |
| (iii) Other recovery operations | |
| Total | |

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

| Category of waste | | |
|---------------------------------|--------------------------------|------------|
| (i) Incineration | Nil | Nil |
| (ii) Landfilling | Nil | Nil |
| (iii) Other disposal operations | 1422.30 MT (authorised vendor) | Nil |
| Total | 1422.30 MT | Nil |

Note: Includes iron, tin, quilting & other scrap

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Given the nature of the business, the generation of hazardous and toxic waste by the Company is minimal.

We are the manufacturer of polyurethane foam and its product. The TDI is the main raw material which is used for the production of foam. To ensure social & environmental responsibility following waste management actions have been taken us:-

1. We have been procuring TDI in bulk quantity through tanker and rear of the rear cases procurement is made through the drum. Since drums contain stains of TDI therefore we take utmost care and sell them to Government authorized agencies only, who further recycle the same.
2. The wastepaper generated in the production process and from the units are being sold out to the authorized vendor, who further uses them in the manufacturing process of molded paper plates & bowl etc.
3. Waste Foam - Waste foam generated from the production process is sold out to the recycling processor which further uses them in the production of rebonded foam
4. Other E-waste materials are sold out to authorized vendors only.

5. We have obtained the required license from the Government Department as a brand owner for the plastic waste being produced in the manufacturing process. Further, the waste is recycled by M/s ICPL on our behalf.

6. Units segregate all waste and store it separately for further disposal. Further non-hazardous waste is being sold out to local scrap dealers only.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format.

Yes, the Company is generally compliant with the applicable environmental laws / regulations/ guidelines in India.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

| Parameter | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|---|--|---|
| From renewable sources (GJ) | | |
| Total electricity consumption | 2768.03 GJ | 1399.20 GJ |
| Total fuel consumption | | |
| Energy consumption through other sources | | |
| Total energy consumed from renewable sources | 2768.03 GJ | 1399.20 GJ |
| From non-renewable sources (GJ) | | |
| Total electricity consumption | 27429.40 GJ | 25749.76 GJ |
| Total fuel consumption | 3361.53 GJ | 6133.76 GJ |
| Energy consumption through other sources | | |
| Total energy consumed from non-renewable sources | 30790.93 GJ | 31883.52 GJ |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Provide the following details related to water discharged:

| Parameter | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|--|--|---|
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) To Surface water | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment - please specify level of treatment | Nil | Nil |
| (ii) To Groundwater | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment - please specify level of treatment | Nil | Nil |
| (iii) To Seawater | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment - please specify level of treatment | Nil | Nil |
| (iv) Sent to third-parties | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment - please specify level of treatment | Nil | Nil |
| (v) Others | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment - please specify level of treatment | 10446 KL* | 8616 KL* |
| | STP treatment | STP Treatment |
| Total water discharged (in kilolitres) | 10446 KL | 8616 KL |

* We have installed STP at our Corporate Office and plants, which treats the water used for domestic purposes. The treated water is then reused and recycled for gardening or sent back to earth for recharge, as appropriate.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Water consumption is reported for the following offices / plants where the water stress is over-exploited or critical: Hyderabad, Ghaziabad, Greater Noida, Patiala and Erode.

| Parameter | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|--|--|---|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | Nil | Nil |
| (ii) Groundwater | 22,426 KL | 60,767 KL |
| (iii) Third party water | 20,817 KL | Nil |
| (iv) Seawater / desalinated water | Nil | Nil |
| (v) Others | Nil | Nil |
| Total volume of water withdrawal (in kilolitres) | 43,243 KL | 60,767 KL |
| Total volume of water consumption (in kilolitres) | 43,243 KL | 60,767 KL |
| Water intensity per rupee of turnover (Water consumed / turnover) | | |
| Water intensity (optional) - the relevant metric may be selected by the entity | | |
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) into Surface water | Nil | Nil |
| No treatment | Nil | Nil |
| With treatment - please specify level of treatment | Nil | Nil |
| (ii) into Groundwater | Nil | Nil |
| No treatment | Nil | Nil |
| With treatment - please specify level of treatment | Nil | Nil |
| (iii) into Seawater | Nil | Nil |
| No treatment | Nil | Nil |
| With treatment - please specify level of treatment | Nil | Nil |
| (iv) Sent to Third parties | Nil | Nil |
| No treatment | Nil | Nil |
| With treatment - please specify level of treatment | Nil | Nil |
| (v) Others | Nil | Nil |
| No treatment | Nil | Nil |
| With treatment - please specify level of treatment | 6590 KL* | 7672 KL* |
| | STP Treatment | STP Treatment |
| Total water discharged (in kilolitres) | 6590 KL | 7672 KL |

* We have installed STP at our Corporate Office and plants which treats the water used for domestic purposes. The treated water is then reused and recycled for gardening or sent back to earth for recharge, as appropriate.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Not applicable

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

| Parameter | Unit | FY 2022-23 | FY 2021-22 |
|---|--------------------------|--------------------------|---------------------------|
| | | (Current Financial Year) | (Previous Financial Year) |
| Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | tCO ₂ e | Not Measured | Not Measured |
| Total Scope 3 emissions per rupee of turnover | tCO ₂ e / INR | - | - |
| Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity | - | - | - |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

N.A., as the Company does not have operations/offices in/around ecologically sensitive areas where environmental approvals / clearances are required

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

| Sr. No. | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---------|---|---|---|
| 1 | Switching to renewable source of energy | Installation of solar plants and LED lights. | Energy efficiency and lower GHG emissions |
| 2 | Switching to renewable source of energy | Solar power project, project on conversion of DG sets from diesel to PNG in Greater Noida plant. | Energy efficiency and lower GHG emissions |
| 3 | Better Technology Adoption | Vertical Variable Pressure Foaming (VPF) technology to reduce fumes and GHG emissions | Reduced fumes and GHG emissions, |
| 4 | Switching to renewable source of energy | 95% of lighting is with LED in Rajpura plant | Energy efficiency and lower GHG emissions |
| 5 | LEED Certification | Sheela foam's corporate office building is certified as LEED BD+C (Core and shell) Platinum rating that provides a cost effective, energy, and resource efficient framework for all commercial buildings. | Less energy and water usage, Green building mechanism which supports the climate, Shrink carbon footprint |
| 6 | Reduced occupancy sensor delays in lift and toilet lights | We reduced the occupancy sensor delay time in lift lobby and toilets from 15 mins to 5 mins | Energy efficiency |
| 7 | Sensor taps for washroom area | Sensor taps come with built-in sensors that allow it to detect motion and when an object appears in the front of tap, it automatically lets the water out. | Less water consumption and water wastage upto 70% |
| 8 | Automated streetlights and tube lights | 100% streetlights and tube lights at the mezzanine tunnels are automated for timely switch on/off to reduce unnecessary energy wastage | Energy Efficiency |
| 9 | Trainings on re-use and recycle | Trainings have been provided to the company associates for 'Out of the box thinking' on how to reuse and recycle the used/ scrap materials. | Circularity, Reduced waste |
| 10 | Procurement of electrical equipment | Procuring electrical equipment such as switch-gears and appliances for better utilization and minimum wastage of any kind. | Reduced waste |
| 11 | Trees plantation and water harvesting | Plantation of trees for greenery and installation of water harvesting pits | Mitigation of climate change risks, water saving |

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Sheela Foam Limited has a comprehensive Business Continuity Plan (BCP) in place to ensure continuity of operations and manage disasters effectively. The BCP includes standby databases, redundancy on hardware, regular database backups, and security measures such as firewalls. The plan is reviewed annually and updated when necessary. Data leakage prevention tools are deployed, and BCP testing is conducted every six months. The BCP leader coordinates the development and maintenance of the plan, declares disaster scenarios, conducts audits and testing, and ensures training for team members.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant adverse impacts have been reported from any value chain partners. Suppliers are expected to provide a safe and healthy working environment and, if applicable, safe and healthy company living quarters, and to operate in an environmentally responsible and efficient manner.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact

SFL encourages suppliers to provide an inclusive and supportive working environment and to exercise diversity when it comes to their employees. We are currently in process of selecting the assessment criterion for value chain partners.

PRINCIPLE 7

Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a) Number of affiliations with trade and industry chambers/ associations.

The Company is affiliated with 5 trade and industry chambers/ associations

b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| S. no | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|-------|---|---|
| 1 | Indian Polyurethane Association | National |
| 2 | Industrial associations located at respective units | State |
| 3 | Indian Sleep Products Federation | National |
| 4 | ASSOCHEM | International |
| 5 | CII | National |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

No significant adverse impacts have been reported from any value chain partners.

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity

SFL participates in public policy advocacy at various forums as CII, ISFB through concerned departments in consultation with management.

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development.

ESSENTIAL INDICATORS

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Not Applicable

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

Not Applicable

3. **Describe the mechanisms to receive and redress grievances of the community**

We have a dedicated email ID for handling community grievances. The e-mail id is grievances@sleepwellfoundation.com and it is available on our website also.

4. **Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:**

| Parameter | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|---|--|---|
| Directly sourced from MSMEs/ Small producers | 4.9% | 7% |
| Sourced directly from within the district and neighboring districts | 79.9% | 80% |

LEADERSHIP INDICATORS

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Nil.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

CSR activities are not done in the aspirational districts identified by Government.

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/ No) -**

SFL does not differentiate / discriminate while selecting its vendors. The company procures its foaming inputs from reputed chemical industry players, while for other inputs such as fabrics , packaging , rebonded foam, etc they have mostly MSME vendors.

They developed trusted relationship with local vendors and works with them to develop quality product that

meets its as well as industry needs, thereby enabling local vendors to grow their business.

- (b) **From which marginalized /vulnerable groups do you procure?**

Not Applicable

- (c) **What percentage of total procurement (by value) does it constitute?**

Not Applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge**

Not applicable.

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Nil

6. Details of beneficiaries of CSR Projects.

| S. no | CSR Project | No of persons benefited from CSR Projects | % of beneficiaries from vulnerable and marginalized group |
|-------|--|---|---|
| 1 | Skill Development Centre in Khurja | 890 | 100% |
| 2 | Emotional Wellness Workshops | 5293 | Mixed beneficiaries |
| 3 | Soft Skills Workshops for MSMEs & Youth | 3595 | Mixed beneficiaries |
| 4 | Development of basic facilities in schools | 2000 | Mixed beneficiaries |

PRINCIPLE 8

Businesses should engage with and provide value to their consumers in responsible manner

ESSENTIAL INDICATORS
1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Consumer Complaints are attended at centralized customer care center called 'Sleepwell Care' and are resolved expeditiously. Contact number and e-mail id are available on our website <https://mysleepwell.com/sleepwell-at-home> for consumers to register complaints or provide any review/feedback. Consumers can register a complaint through Sleepwell care or with the Dealer.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

| | As a percentage to total turnover |
|---|-----------------------------------|
| Environment and Social parameters relevant to product | Nil |
| Safe and responsible usage | |
| Recycling and/or safe disposal | |

3. Number of consumer complaints:

| | FY 2022-23 (Current Financial Year) | | | FY 2021-22 (Previous Financial Year) | | |
|--------------------------------|-------------------------------------|---------------------------------------|---------|--------------------------------------|---------------------------------------|---------|
| | Received during the year | Pending resolution at the end of year | Remarks | Received during the year | Pending resolution at the end of year | Remarks |
| Data privacy | 0 | 0 | - | 0 | 0 | - |
| Advertising | 0 | 0 | - | 0 | 0 | - |
| Cyber-security | 0 | 0 | - | 0 | 0 | - |
| Delivery of essential services | 0 | 0 | - | 0 | 0 | - |
| Restrictive Trade Practices | 0 | 0 | - | 0 | 0 | - |
| Unfair Trade Practices | 0 | 0 | - | 0 | 0 | - |
| Others | 35264 | 640 | | 41644 | 549 | - |

4. Details of instances of product recalls on account of safety issues

| | Number | Reason for recall |
|-------------------|--------|-------------------|
| Voluntary recalls | 0 | Not Applicable |
| Forced recalls | 0 | Not Applicable |

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The company has framed its cyber security & data privacy policy under its IT policies which is applicable to all the Employees (Full Time, Part Time, Contractual, Consultants, Auditors, etc.) and stakeholders (in some cases Customers & Vendors) of SFL. It considers customer information safety as a critical aspect. This policy is available on the intranet portal.

- 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Since there are no complaints, there was no need for any corrective action.

LEADERSHIP INDICATORS

- 1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Corporate Website at <https://www.sheelafaam.com/home-comfort-products.html> and <https://mysleepwell.com/>

- 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Steps for responsible usage are available on the packaging of the products.

- 3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

In case of any disruption/discontinuation of essential services, BCP leader shall invoke the BCP process in consultation with the BCP Team Members. Thereafter, consumers are informed through website about disruption/ discontinuation if any.

For e.g., during the covid, due to disruption in production and transportation services, customers were informed via website and Sleepwell@Home Initiative was started.

- 4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief.**

Yes, the Company ensures that all the information as required to be displayed on the product labels as per the applicable rules and regulations are properly displayed. Further the product information can also be referred from our website.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, surveys are carried out to study satisfaction level with reference to Products, Customer handling at Dealers end and by Customer Care Department

- 5. Provide the following information relating to data breaches:**

a. Number of instances of data breaches along-with impact - No Data Breaches have occurred

b. Percentage of data breaches involving personally identifiable information of customers - NA

Independent Auditor's Report

To the Members of Sheela Foam Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone financial statements of Sheela Foam Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

Revenue recognition - Discounts and rebates

Refer note 2 and 32 to the standalone financial statements.

As disclosed in note 2 to the standalone financial statements, revenue is measured net of any trade discounts and volume rebates to customers (i.e. to the Wholesale traders and Retail traders).

As per the secondary scheme, discounts and rebates are passed on to the customers only on secondary sales made by wholesale to retail. Further, certain discounts and rebates for goods sold during the year are only finalised when the precise amounts are known, and revenue therefore includes an estimate of variable consideration. This includes establishing an accrual at year end, particularly in arrangements with customers involving varying terms which are based on annual contracts or shorter-term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span beyond the year end. The unsettled portion of the variable consideration, results in accrual of discounts and rebates due to customers as at year end. Significant judgement is required in estimating accruals relating to secondary schemes recognized, based on sales made during the year.

In view of above, accrual for discounts and rebates in relation to revenue recognition is identified as a key audit matter.

Description of Auditor's response:

- Assessed the appropriateness of the Company's revenue recognition accounting policies, including those relating to discounts, incentives and rebates as required under the applicable accounting standards.
- Understood the process followed by the Company to determine the amount of accrual for discounts and rebates.
- Verified the design and implementation and tested operating effectiveness of key application controls over the Company's automated systems and manual controls over rebates agreements/ arrangements, rebate payments / settlements and Company's review over the rebate accruals.
- Verified on a test check basis, key customer contracts to identify the relevant terms and conditions related to discounts and rebates.
- Verified on test check basis, discounts and rebates transactions recorded during the year including period end discounts and rebates accruals and ensured the computation is in accordance with the policy and relevant source documents.

- Examined historical rebate accrual together with our understanding of current year developments to form an expectation of the rebate accrual as at year end and compared the same with the accrual for the year ended March 31, 2023.
- Verified completeness and accuracy of the data used by the Company for accrual of discounts and rebates through test of controls.
- Verified on a test check basis, rebate accruals after the reporting date to validate whether the accrual is recorded in the correct period.
- Verified payments made after reporting/year end date and where relevant, comparing the payment to the related rebate accrual.
- Verified the credit notes for rebates and discounts issued subsequent to the balance sheet date to assess the reasonableness of the amounts recognised and to identify any significant unaccounted secondary trade accruals.
- Verified manual journal entries posted to revenue, on a test check basis, to identify unusual items and examining the underlying documentation.
- Verified the related disclosures made in notes to the financial statements in accordance with the requirements of the applicable accounting standards.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc. but does not include the standalone financial statements and our auditor's report thereon. The Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc. is expected to be made available to us subsequent to this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc., if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 "The Auditor's responsibilities Relating to Other Information".

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs 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 standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 52 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (1) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 62 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the

understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (2) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 62 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

Nipun Gupta
Partner

Place: Gurugram
Date: May 17, 2023

Membership No.: 502896
UDIN: 23502896BGTEUQ8910

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2023 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

Nipun Gupta
Partner

Place: Gurugram
Date: May 17, 2023

Membership No.: 502896
UDIN: 23502896BGTEUQ8910

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED FOR THE YEAR ENDED MARCH 31, 2023

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirement's in the Independent Auditor's Report]

- i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- B. The Company does not have intangible assets. Accordingly, the provisions stated in paragraph 3(i)(a)(B) of the Order are not applicable to the Company.
- (b) Property, Plant and Equipment, have been physically verified by the management at reasonable intervals during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets). The company does not have intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.
- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from Banks on the basis of security of current assets. Monthly returns / statements filed with such banks are in agreement with the books of account.
- iii. (a) According to the information explanation provided to us, the Company has made investments in, provided loans, or given guarantee, or provided security to any other entity. The details of such loans or advances and guarantees or security are as follows:

(All amounts in ₹ in Lakhs)

| Particulars | Guarantees | Security | Loans (excluding interest) | Investments |
|--|------------|----------|-------------------------------|-------------|
| Aggregate amount granted/ provided during the year | | | | |
| - Subsidiaries | 7,175.07 | - | 4,200.00 | - |
| - Others | - | - | 362.65 | - |
| Balance Outstanding as at balance sheet date in respect of above cases | | | | |
| - Subsidiaries | 34,354.00 | - | 12,218.61 | 22,657.38 |
| - Others | - | - | 219.08 | - |

- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to investment made, guarantees provided, securities given and/or grant of all loans and advances in the nature of loans and guarantees are not prejudicial to interest of the company.
- (c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the payment of principal and interest.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no amounts over due for more than ninety days in respect of loan granted to Company/ Firm/LLP/Other Parties.
- (e) According to the information and explanations provided to us, the loan or advance in the nature of loan granted has not fallen due during the year. Hence, the requirements under paragraph 3(iii)(e) of the Order are not applicable to the company.

- (f) According to the information and explanations provided to us, the Company has granted loans/advances in the nature of loans repayable on demand or without specifying any terms or period of repayment. The details of the same are as follows:

(All amounts in ₹ in Lakhs)

| Particulars | All Parties | Promoters | Related Parties |
|---|-------------|-----------|-----------------|
| Aggregate amount of loans/ advances in nature of loans | | | |
| - Repayable on demand (A) | - | - | 5,050 |
| - Agreement does not specify any terms or period of repayment (B) | - | - | - |
| Total (A+B) | - | - | 5,050 |
| % of loans/ advances in nature of loans to the total loans | - | - | 41.10% |

- iv. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan, or provided guarantee or security to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on March 31, 2023 and the Company has not accepted any deposits during the year.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.
- There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- vii. (b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub Clause (a) above which have not been deposited as on March 31, 2023 on account of any dispute, are as follows:

(All amounts in ₹ in Lakhs)

| Name of the statute | Nature of dues | Amount Demanded | Amount Paid | Period to which the amount relates | Forum where dispute is pending |
|--|----------------|-----------------|-------------|------------------------------------|--|
| Central Excise Tax Act, 1944 | Excise Duty | 123.85 | 0.99 | 2011-2012 & 2012-2013 | The Customs Excise and Service Tax Appellate Tribunal, Kolkata |
| Central Excise Tax Act, 1944 | Excise Duty | 241.07 | 9.04 | February 2017 to June 2017 | Customs Excise Service Tax Appellate Tribunal, Kolkata |
| Central Excise Tax Act, 1944 | Excise Duty | 45.65 | 1.69 | 2016-2017 & 2017-2018 | Customs Excise Service Tax Appellate Tribunal, Kolkata |
| Income Tax Act, 1961 | Income Tax | 479.68 | 479.68 | 2013-2014 | Delhi High Court |
| Income Tax Act, 1961 | Income Tax | 23.45 | 23.45 | 2017-18 | Income Tax Appellate Tribunal, New Delhi |
| Income Tax Act, 1961 | Income Tax | 37.35 | 37.35 | 2016-17 | Income Tax Appellate Tribunal, New Delhi |
| Income Tax Act, 1961 | Income Tax | 24.51 | - | 2020-21 | Commissioner of Income tax (Appeal), New Delhi |
| The Central Sales Tax Act, 1956 and The Sikkim Sales Tax Act, 1983 | Sales Tax | 46.00 | 46.00 | 2003-2004 & 2004-2005 | Supreme Court |

(All amounts in ₹ in Lakhs)

| Name of the statute | Nature of dues | Amount Demanded | Amount Paid | Period to which the amount relates | Forum where dispute is pending |
|--|----------------|-----------------|-------------|------------------------------------|--|
| The Central Sales Tax Act, 1956 and The Sikkim Sales Tax Act, 1983 | Sales Tax | 393.99 | 393.99 | 2005-06 to 2011-12 | Additional Commissioner Commercial tax |
| West Bengal Tax on Entry of Goods into Local Areas Act, 2012 | Entry Tax | 28.88 | - | 2012-13 & 2013-14 | Supreme Court |
| West Bengal Tax on Entry of Goods into Local Areas Act, 2012 | Entry Tax | 107.51 | - | 2014-15 to 2017-18 | Supreme Court |
| Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007 | Entry Tax | 57.72 | 28.86 | 2001-2012 | Allahabad High Court |

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company does not have any loans or borrowings and repayment to lenders during the year. Accordingly, the provision stated in paragraph 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority. Accordingly, the provision stated in paragraph 3(ix)(b) of the Order is not applicable to the Company.
- (c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanation provided to us, there are no funds raised on short term basis. Accordingly, the provision stated in paragraph 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries. Accordingly, the provision stated in paragraph 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.
- x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3(x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Hence, the provisions stated in paragraph 3(x)(b) of the Order are not applicable to the Company.
- xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2023, accordingly the provisions stated in paragraph 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year. Accordingly, the provisions stated in paragraph 3(xi)(c) of the Order is not applicable to Company.

- xii. In our opinion and according to the information and explanations given to us the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Act are not applicable to Company.
- xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3(xvi)(a) of the Order are not applicable to the Company.
(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph 3(xvi)(b) of the Order are not applicable to the Company.
(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3(xvi)(c) of the Order are not applicable to the Company.
(d) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph 3(xvi)(d) of the order are not applicable to the Company.
- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3(xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund or to a Special Account as per the provisions of Section 135 of the Act read with schedule VII. Accordingly, reporting under Clause 3(xx)(a) and Clause 3(xx)(b) of the Order is not applicable to the Company.
- xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

Nipun Gupta
Partner

Place: Gurugram
Date: May 17, 2023

Membership No.: 502896
UDIN: 23502896BGTEUQ8910

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED

[Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" in the Independent Auditor's Report of even date to the Members of Sheela Foam Limited on the Financial Statements for the year ended March 31, 2023]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

OPINION

We have audited the internal financial controls with reference to standalone financial statements of Sheela Foam Limited as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate

internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone

financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.: 105047W

Nipun Gupta
Partner

Place: Gurugram
Date: May 17, 2023

Membership No.: 502896
UDIN: 23502896BGTEUQ8910

Standalone Balance Sheet

as at March 31, 2023

(₹ in Lakhs)

| Particulars | Note no. | As at March 31, 2023 | As at March 31, 2022 |
|--|----------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 23,709.63 | 23,501.54 |
| Right-of-use assets | 4 | 1,631.09 | 1,835.12 |
| Capital work-in-progress | 3 | 188.78 | 63.78 |
| Investment property | 5 | 342.50 | 362.70 |
| Investment in subsidiaries | 6 | 19,667.38 | 19,667.38 |
| Financial assets | | | |
| (i) Investment in preference shares | 7 | 2,990.00 | 2,990.00 |
| (ii) Other investments | 8 | 5,641.29 | 52,883.17 |
| (iii) Loans | 9 | 12,229.14 | 7,778.00 |
| (iv) Other financial assets | 10 | 1,698.07 | 1,907.09 |
| Non current tax assets (net) | 11 | 671.16 | 463.33 |
| Other non-current assets | 12 | 323.67 | 260.02 |
| Total non current assets | | 69,092.71 | 1,11,712.13 |
| Current assets | | | |
| Inventories | 13 | 18,894.37 | 20,346.61 |
| Financial assets | | | |
| (i) Investments | 14 | 70,647.60 | 8,398.45 |
| (ii) Trade receivables | 15 | 16,400.40 | 13,601.78 |
| (iii) Cash and cash equivalents | 16 | 1,042.61 | 1,431.36 |
| (iv) Bank balances other than cash and cash equivalents | 17 | 26.65 | 31.58 |
| (v) Loans | 18 | 59.07 | 555.07 |
| (vi) Other financial assets | 19 | 640.00 | 2,817.77 |
| Other current assets | 20 | 3,704.13 | 1,922.97 |
| Total current assets | | 1,11,414.83 | 49,105.59 |
| Total assets | | 1,80,507.54 | 1,60,817.72 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 21 | 4,878.28 | 2,439.14 |
| Other equity | 22 | 1,34,701.83 | 1,18,513.31 |
| Total equity | | 1,39,580.11 | 1,20,952.45 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Lease liabilities | 23 | 1,488.19 | 1,826.72 |
| (ii) Other non current financial liabilities | 24 | 2,548.16 | 5,034.08 |
| Provisions | 25 | 897.43 | 602.57 |
| Other non current liabilities | 26 | 19.85 | 22.70 |
| Deferred tax liabilities (net) | 27 | 189.02 | 482.45 |
| Total non current liabilities | | 5,142.65 | 7,968.52 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Lease liabilities | 23 | 127.06 | 113.12 |
| (ii) Trade payables | | | |
| - Total outstanding dues of micro enterprises and small enterprises | 28 | 630.91 | 444.61 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 28 | 17,645.99 | 18,941.42 |
| (iii) Other financial liabilities | 29 | 8,627.40 | 4,130.88 |
| Provisions | 25 | 1,088.59 | 1,053.41 |
| Current tax liabilities (net) | 30 | 115.53 | - |
| Other current liabilities | 31 | 7,549.30 | 7,213.31 |
| Total current liabilities | | 35,784.78 | 31,896.75 |
| Total liabilities | | 40,927.43 | 39,865.27 |
| Total equity and liabilities | | 1,80,507.54 | 1,60,817.72 |

Significant accounting policies

2

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

 For **M S K A & Associates**

Chartered Accountants

Firm Registration No.: 105047W

For and on behalf of the Board of Directors of

Sheela Foam Limited

CIN: L74899DL1971PLC005679

Nipun Gupta

Partner

Membership No.: 502896

Rahul Gautam

Managing Director

DIN:00192999

Tushaar Gautam

Whole Time Director

DIN:01646487

Amit Kumar Gupta

Group Chief Financial Officer

Md. Iquebal Ahmad

Company Secretary

Membership No.: A20921

 Place: Gurugram
Date: May 17, 2023

 Place: Noida
Date: May 17, 2023

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars | Note no. | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|----------|-----------------------------------|-----------------------------------|
| Income | | | |
| Revenue from operations | 32 | 2,01,981.56 | 2,00,820.99 |
| Other income | 33 | 7,861.27 | 7,022.38 |
| Total Income | | 2,09,842.83 | 2,07,843.37 |
| Expenses | | | |
| Cost of materials consumed | 34 | 1,13,311.05 | 1,28,594.54 |
| Purchase of stock-in-trade | 35 | 14,887.73 | 5,331.06 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 36 | (360.40) | (865.63) |
| Other manufacturing expenses | 37 | 3,626.01 | 3,401.82 |
| Employee benefits expense | 38 | 14,519.48 | 13,188.01 |
| Finance costs | 39 | 637.38 | 710.95 |
| Depreciation and amortisation expense | 40 | 3,376.39 | 3,238.96 |
| Other expenses | 41 | 33,778.17 | 27,787.27 |
| Total Expenses | | 1,83,775.81 | 1,81,386.98 |
| Profit before tax | | 26,067.02 | 26,456.39 |
| Income Tax expense | 59 | | |
| Current tax | | 6,815.87 | 7,054.57 |
| Tax expenses related to earlier years | | (70.49) | (22.27) |
| Deferred tax (net) | 27 | (164.30) | (307.39) |
| Total Income tax expense | | 6,581.08 | 6,724.91 |
| Profit for the year | | 19,485.94 | 19,731.48 |
| Other comprehensive income (net of tax) | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Remeasurements gain / (loss) of the net defined benefit plans | | (165.27) | (479.40) |
| Income tax on above item | 27 | 41.60 | 120.66 |
| <i>Items that will be reclassified to profit or loss</i> | | | |
| Fair value gain / (loss) on investments and other financial instruments | | (347.78) | 323.91 |
| Income tax on above item | 27 | 87.53 | (81.53) |
| Total Other comprehensive income/ (loss) (net of tax) | | (383.92) | (116.36) |
| Total comprehensive income for the year | | 19,102.02 | 19,615.12 |
| Earnings per equity share (face value of ₹5/- each): | | | |
| Basic and diluted (₹) | 42 | 19.97 | 20.22 |

Significant accounting policies

2

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For **M S K A & Associates**
Chartered Accountants
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of

Sheela Foam Limited
CIN: L74899DL1971PLC005679

Nipun Gupta
Partner
Membership No.: 502896

Rahul Gautam
Managing Director
DIN:00192999

Tushaar Gautam
Whole Time Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Place: Gurugram
Date: May 17, 2023

Place: Noida
Date: May 17, 2023

Md. Iqubal Ahmad
Company Secretary
Membership No.: A20921

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

A. EQUITY SHARE CAPITAL

| Particulars | ₹ in Lakhs |
|--|-----------------|
| Balance as at April 01, 2021 | 2,439.14 |
| Add: Issued during the year | - |
| Balance as at March 31, 2022 | 2,439.14 |
| Add: Bonus shares issued during the year | 2,439.14 |
| Balance as at March 31, 2023 | 4,878.28 |

B. OTHER EQUITY

(₹ in Lakhs)

| Particulars | Reserves and surplus | | | Items of Other Comprehensive Income | | Total |
|--|----------------------|-----------------|-------------------|-------------------------------------|-------------------------------------|--------------------|
| | Retained earnings | Capital reserve | General reserve | Debt instruments through OCI | Cash flow hedge reserve through OCI | |
| Balance as at April 01, 2021 | 96,671.76 | 328.57 | 1,716.27 | 181.59 | - | 98,898.19 |
| Profit for the year | 19,731.48 | - | - | - | - | 19,731.48 |
| Other comprehensive income/ (loss) for the year (net of tax) | (358.74) | - | - | 242.38 | - | (116.36) |
| Total comprehensive income for the year | 19,372.74 | - | - | 242.38 | - | 19,615.12 |
| Balance as at March 31, 2022 | 1,16,044.50 | 328.57 | 1,716.27 | 423.97 | - | 1,18,513.31 |
| Profit for the year | 19,485.94 | - | - | - | - | 19,485.94 |
| Other comprehensive income/ (loss) for the year (net of tax) | (123.67) | - | - | - | - | (123.67) |
| Loss on cash flow hedge reserve (net of tax) | - | - | - | - | (260.25) | (260.25) |
| Expenses towards Increase in authorised capital | (50.39) | - | - | - | - | (50.39) |
| Realised gain from debt instruments transferred to statement of Profit and Loss (net of tax) | - | - | - | (423.97) | - | (423.97) |
| Bonus shares issued during the year | (394.30) | (328.57) | (1,716.27) | - | - | (2,439.14) |
| Total comprehensive income for the year | 18,917.58 | (328.57) | (1,716.27) | (423.97) | (260.25) | 16,188.52 |
| Balance as at March 31, 2023 | 1,34,962.08 | - | - | - | (260.25) | 1,34,701.83 |

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For and on behalf of the Board of Directors of

For **M S K A & Associates**
Chartered Accountants
Firm Registration No.: 105047W

Sheela Foam Limited
CIN: L74899DL1971PLC005679

Nipun Gupta
Partner
Membership No.: 502896

Rahul Gautam
Managing Director
DIN:00192999

Tushaar Gautam
Whole Time Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Place: Gurugram
Date: May 17, 2023

Place: Noida
Date: May 17, 2023

Md. Iqubal Ahmad
Company Secretary
Membership No.: A20921

Standalone Statement of Cash Flows

for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| A. Cash flow from operating activities | | |
| Profit before tax | 26,067.02 | 26,456.39 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 3,376.39 | 3,238.96 |
| Finance costs | 637.38 | 710.95 |
| Liabilities/provisions no longer required written back | (11.66) | (59.43) |
| Provision for doubtful receivables | 160.50 | - |
| Provision for warranty | 1,175.79 | 983.10 |
| Subsidy income | (2.84) | (2.84) |
| Bad debts written off | 36.41 | 34.18 |
| Fair value (gain) / loss on investments (net) | (872.62) | 382.97 |
| (Profit) / Loss on sale of investments (net) | (1,864.61) | (1,228.48) |
| (Profit) / Loss on sale of property, plant and equipment (net) | (48.56) | (107.95) |
| Net Loss on Foreign Currency Forward Contracts | 1,322.29 | - |
| Unrealised foreign exchange (gain) / loss (net) | (68.19) | (684.71) |
| Rental Income | (250.69) | (239.21) |
| Interest income | (3,709.60) | (3,980.33) |
| Operating profit before working capital changes | 25,947.01 | 25,503.60 |
| Changes in working capital: | | |
| Decrease in Inventories | 1,452.24 | 2,485.30 |
| (Increase) / Decrease in loans and trade receivables | (2,426.49) | 1,112.73 |
| Decrease / (Increase) in other financial and non-financial assets | (1,283.58) | (2,211.83) |
| (Decrease) / Increase in trade payables | (1,109.13) | (1,637.95) |
| (Decrease) / Increase in other financial liabilities, non-financial liabilities and provisions | (933.43) | 1,344.93 |
| Cash generated from operations | 21,646.62 | 26,596.78 |
| Income tax paid (net of refunds) | (6,837.68) | (7,032.31) |
| Net cash flow from operating activities (A) | 14,808.94 | 19,564.47 |
| B. Cash flow from investing activities | | |
| Purchase of property, plant and equipment and change in capital work-in-progress | (3,752.84) | (1,699.93) |
| Proceeds from Sale of property, plant and equipment | 173.11 | 438.30 |
| Capital Advances | 43.37 | - |
| Investment in shares of Subsidiary Companies (net) | - | (1,285.94) |
| Investment in bonds, debentures and mutual funds (net) | (12,694.00) | (19,799.70) |
| Loans given to Subsidiary Company | (4,200.00) | (2,922.79) |
| Repayment of loans by Subsidiary Company | 350.00 | - |
| Proceeds from bank deposits | 4.93 | - |
| Interest and principal received on lease receivable | 206.44 | 72.00 |
| Rental income (short term lease) | 250.69 | 239.21 |
| Interest income received | 5,277.56 | 3,925.91 |
| Net cash (used in) investing activities (B) | (14,340.74) | (21,032.94) |
| C. Cash flow from financing activities | | |
| Payment of lease liabilities (principal and interest) | (260.91) | (195.32) |
| Fees paid for increase in authorised share capital | (50.39) | - |
| Finance costs | (545.65) | (408.39) |
| Net Cash (used in) Financing Activities (C) | (856.95) | (603.71) |
| Net (decrease) / increase in cash and cash equivalents (A+B+C) | (388.75) | (2,072.18) |
| Cash and cash equivalents at the beginning of the year | 1,431.36 | 3,503.54 |
| Cash and cash equivalents at the end of the year | 1,042.61 | 1,431.36 |

Standalone Statement of Cash Flows

for the year ended March 31, 2023

Notes :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- Figures in bracket represents cash outflow.
- Components of cash and cash equivalents:

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Cash and cash equivalents | | |
| Cash on hand | 7.41 | 15.65 |
| Deposits having original maturity of less than 3 months | 1.00 | 933.87 |
| Balance with banks in current accounts | 1,034.20 | 481.84 |
| Balance as per Statement of Cash Flows | 1,042.61 | 1,431.36 |

- Changes in liabilities arising from financing activities:

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Lease liabilities | | |
| Lease liabilities at the beginning of the year | 1,939.84 | 199.19 |
| Addition during the year | 40.54 | 1,823.14 |
| Finance charges | 91.73 | 112.83 |
| Payment of lease liabilities | (260.91) | (195.32) |
| Cancellation / adjustments | (195.95) | - |
| Lease liabilities as at year end | 1,615.25 | 1,939.84 |

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For **M S K A & Associates**
Chartered Accountants
Firm Registration No.: 105047W

Nipun Gupta
Partner
Membership No.: 502896

Place: Gurugram
Date: May 17, 2023

For and on behalf of the Board of Directors of

Sheela Foam Limited
CIN: L74899DL1971PLC005679

Rahul Gautam
Managing Director
DIN:00192999

Place: Noida
Date: May 17, 2023

Tushaar Gautam
Whole Time Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Md. Iqubal Ahmad
Company Secretary
Membership No.: A20921

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 1 : COMPANY INFORMATION

Sheela Foam Limited ('the company') is a ISO 9001:2000 public limited company incorporated in India, with its registered office in New Delhi. The Company is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

The Company is pioneered in the manufacturing of polyurethane foams in India and has ten manufacturing facilities, using the state of the art technology at strategic locations across the country.

The standalone financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorized for issue on May 17, 2023.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance and Basis of Preparation

a. Basis of Preparation

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 the ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act. The standalone financial statements have been prepared on accrual and going concern basis. All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

The standalone financial statements have been prepared on a historical cost basis, except for the following :

- certain financial assets and liabilities (including derivative instruments), measured at fair value (refer accounting policy regarding financial instruments).
- defined benefit plans - plan asset measured at fair value.

b. Functional and presentation currency

The standalone financial statements are prepared in Indian Rupees ('₹'), which is the Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimal places, unless stated otherwise.

c. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it is

- expected to be realized, or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it is

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within 12 months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for atleast 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities:

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle:

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalent. The Company has identified twelve months as its operating cycle.

d. Use of estimates and judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as at Balance Sheet date, reported amount of revenue and expenses for the year and disclosure of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying standalone financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the standalone financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

These estimates and assumptions are based on the facts and events, that existed as at the date of Balance Sheet, or that occurred after that date but provide additional evidence about conditions existing as at the Balance Sheet date.

Refer below for detailed discussion on estimates and judgments:

i. Useful lives of Property, Plant and Equipment

The Property, Plant and Equipment are depreciated on a pro-rata basis on written down value basis over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 2.2 below. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the financial position in future years.

ii. Retirement benefit obligation

The cost of retirement benefits and present value of the retirement benefit obligations in respect of Gratuity and Leave Encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, these retirement benefit obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long-term government bonds with extrapolated maturity corresponding to the expected duration of these obligations. The mortality rate is based on publicly available mortality table for the specific countries. Future salary, seniority, promotion and other relevant factors and pension increases are based on expected future inflation on a long-term basis. Further details about the assumptions used, including a sensitivity analysis are given in Note 44.

iii. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing

contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

iv. Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v. Impairment of Financial assets

The impairment provision of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.2 Property, Plant & Equipment

Property, Plant & Equipment are accounted for on historical cost basis (inclusive of the cost of installation and other incidental costs till the date of commencement of commercial production) net of recoverable taxes, less accumulated depreciation and impairment loss, if any. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are added to the existing asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs

Notes to Standalone Financial Statements

for the year ended March 31, 2023

and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation on property, plant & equipment is provided on a pro-rata basis on written down value basis, over the useful life of the assets estimated by management, in the manner prescribed in Schedule II of the Companies Act, 2013. Depreciation on sale/deduction from property, plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. The asset's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The property, plant and equipment costing upto ₹5,000/- are fully depreciated during the year of addition after retaining 5% as net residual value. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

| Asset | Useful life as per Schedule II of the Companies Act, 2013 (No. of Years) | Useful life as assessed / estimated by the Company (No. of Years) |
|-------------------------------------|--|---|
| Building | | |
| – Factory (Including roads & lanes) | 30 | 29 |
| – Office | 60 | 4-59 |
| – Residential | 60 | 59 |
| Plant & Equipment | 15 | 20 |
| Furniture & Fixtures | 10 | 15 |
| Vehicles | | |
| – Motor Cars | 8 | 10 |
| Office Equipment | 5 | 20 |
| Data Processing Equipment | | |
| – Computer Equipment | 3 | 6 |
| Electrical Fittings | 10 | 20 |

Based on usage pattern, technical evaluation and internal assessment, management believes the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Cost of leasehold land is amortized over the period of lease. Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of assets.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

2.3 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both and that is not occupied by the Company, is classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are added to the carrying amount only when it is probable that it will increase its useful life. All other repairs and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred. Though the Company measures investment property using cost based measurement, the fair value of the investment property is disclosed in the notes. Fair value is determined based on an annual evaluation performed by an accredited external independent valuer applying a recognized and recommended valuation model.

Depreciation on investment property, is provided on a pro-rata basis on a written down value basis, over the useful life of the property estimated by management, in the manner prescribed in Schedule II of the Act. The property's residual value, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The useful lives in the following cases are different from those prescribed in Schedule II of the Act:

| Asset | Useful life as per Schedule II of the Companies Act, 2013 (No. of Years) | Useful life as assessed / estimated by the Company (No. of Years) |
|---------------|--|---|
| Buildings : | | |
| – Factory | 30 | 29 |
| – Office | 60 | 59 |
| – Residential | 60 | 59 |

Based on usage pattern, technical evaluation and internal assessment, management believes the useful lives, as given above best represent the period over which the management expects to use the properties. Hence the useful lives of

Notes to Standalone Financial Statements

for the year ended March 31, 2023

these properties is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Investment property is derecognized when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss arising on de-recognition of the investment property is included in the Statement of Profit and Loss.

Transfers are made to/from investment property only when there is a change in its use. Transfers between investment property is made at the carrying amount of the property transferred.

Transition to Ind AS

On transition to Ind AS, since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its investment property as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., April 01, 2016.

2.4 Investment in Subsidiaries

Investments in subsidiaries are carried at cost, less accumulated impairment losses, if any. Where an indication of impairment exists the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

2.5 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

(a) Initial recognition and measurement

At initial recognition, all financial assets are recognized at its fair value plus, in the case of a financial asset not carried at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(b) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- a. at amortized cost;
- b. at fair value through other comprehensive income (FVTOCI); and

c. at fair value through profit and loss (FVTPL)

Where financial assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit and loss), or recognized in other comprehensive income (i.e. fair value through Other Comprehensive Income).

The classification of financial assets depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

(1) Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if both the following conditions are met:

| | |
|-----------------------------------|--|
| - Business Model Test: | The objective of the business model is to hold financial asset in order to collect contractual cash flows (rather than to sell the asset prior to its financial maturity to realize its fair value changes); and |
| - Cash Flow Characteristics Test: | The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding. |

This category is most relevant to the Company. After initial measurement, such financial asset are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to trade receivables, deposits with banks, security deposits, cash and cash equivalents, investments in securities and employee loans, etc.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(2) Financial instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

| | |
|-----------------------------------|--|
| - Business Model Test: | The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and |
| - Cash Flow Characteristics Test: | The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding. |

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Profit and Loss.

When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

(3) Financial instruments measured at Fair Value Through Profit and Loss (FVTPL)

Fair Value through Profit and Loss is a residual category. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified as FVTPL. Financial instruments included in FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements i.e. gain or loss and interest income are recorded in Statement of Profit and Loss. This category comprises of investments in mutual funds and market linked debentures.

(c) Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial Assets measured at amortized cost;
- Financial Assets measured at FVTOCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible defaults events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Financial assets that are debt instruments, and are measured at amortized cost i.e. trade receivables, deposits with banks, security deposits, employee loans, etc.
- Financial assets that are debt instruments and are measured at FVTOCI.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The trade receivables are initially recognized at the sale/recoverable value and are assessed at each Balance Sheet date for collectability. Trade receivables are classified as current assets, if collection is expected within twelve months as at Balance Sheet date, if not, they are classified under non-current assets.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months (Expected Credit Loss) ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on timely basis.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(d) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Balance Sheet) when:

- a. The rights to receive cash flows from the asset have been expired/transferred; or
- b. The Company retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, borrowings, security deposits and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in Other Comprehensive Income. These gains/ losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the Statement of other comprehensive income.

Borrowings & Security Deposits

Any difference between the proceeds (net of transaction costs) and the repayment amount is recognized in profit or loss over the period of the liability and subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR.

Financial Guarantee Contract

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Trade and other payables

Trade and other payables are obligations incurred by the Company towards purchase of raw material and other goods and availing the services that have been acquired or availed in the ordinary course of business. Trade and other payables are classified under current liabilities, if payment is due within 12 months as at Balance Sheet date, if not, they are classified under non-current liabilities.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms,

Notes to Standalone Financial Statements

for the year ended March 31, 2023

or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(iii) Offsetting of financial instruments :

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(iv) Derivative Financial Instruments :

Initial recognition and subsequent measurement

The Company uses derivative financial instruments to hedge its foreign currency risk and interest rate risk. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Statement of Profit or Loss and Other Comprehensive Income. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Hedge Accounting

The Company designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as cash flow hedges.

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements : -

There is an economic relationship between the hedged items and the hedging instruments,

- the effect of credit risk does not dominate the value changes that result from that economic relationship,
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking

various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit or Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit or Loss upon the occurrence of the underlying transaction.

2.6 Inventories

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, first-in-first-out cost method is used.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realizable value. Cost of work in progress and manufactured finished goods is determined on weighted average and its cost comprises of direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a first-in-first-out.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item-by-item basis.

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Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, short term deposits with banks with original maturity of 3 months or less, highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

2.8 Impairment of Non-Financial Assets

The Company assesses at each year end whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('cash generating unit').

2.9 Provisions and Contingent Liabilities

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balance sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and

the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Provision for Warranty

Warranty provision is determined based on the historical percentage of warranty expense to sales for the same types of goods depending upon the warranty period offered. The percentage to the sales is applied to derive the warranty expense to be accrued. Actual warranty claims are settled against warranty provision. The warranty claims may not exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence. Closing warranty provision is bifurcated into Current and Non-current based on the past settlement trend with the non-current portion being discounted to derive the present value. The assumptions are consistent with prior years.

c) Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

2.10 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Ind AS 115 five step model is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Sales are recognized at the fair value of the consideration that can be reliably measured and reduced by variable consideration. Variable consideration includes sales returns, trade discounts, volume based incentives, and cost of promotional programs, indirect taxes as may be applicable.

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for the year ended March 31, 2023

The Company provides various volume based rebates to certain customers once the goods are purchased by them above a certain threshold as specified in the scheme letter. Rebates outstanding at the balance sheet date are adjusted against the amount receivable from the customer. To estimate and recognise the liability for the incentives the company uses the methods which best predicts the amount of incentives and is primarily driven by the number of volume thresholds mentioned in the contracts.

i) Sale of goods - distributors

The company operates via chain of distributors selling mattresses and home comfort products. Revenue from the such sales is recognised when control of the products being sold is transferred to distributor and when there are no longer any unfulfilled obligations. As per company's policies the performance obligations are fulfilled at the time of dispatch from the factory or warehouse.

Company's contract with trade customers do not have financing component or non-cash consideration and the Company does not have any unbilled revenue or deferred revenue.

It is the company's policy to sell its products to the end customer with a right of return within a stipulated time period. Therefore, a refund liability (included in other current liabilities) and a right to recover the returned goods (included in other current assets) are recognised for the products expected to be returned, based on estimate. Historical data and past trends are used to estimate such returns. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

The company's obligation to replace faulty products under the standard warranty terms is recognised as a provision (Refer Note 25).

ii) Sale of goods - B2B

The company manufactures and sells a range of industrial foam and cushioning foam to B2B segment. Sales are recognised when control of the products has transferred, that is when the products are dispatched from the factory or the warehouse.

iii) Sale of services

The IT consulting division provides business IT management, design, implementation and support services under fixed-price and variable-price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Other Income

i) Interest income from Bonds

Interest income from bonds at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

ii) Rental income

Rental income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

iii) Guarantee Commission

The Company earns guarantee commission on the guarantee given to Bank for the credit facility availed by its foreign subsidiaries.

iv) Income from sale of investments

The Company earns profit/loss on sale of bonds and mutual funds. When these investments are sold, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss.

2.11 Government Grants / Subsidy

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities

Notes to Standalone Financial Statements

for the year ended March 31, 2023

as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

2.12 Employee Benefits

a. Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short-term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia, performance incentive/pay etc, are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b. Long Term Benefit

The employees of the Company are entitled to long service award (LSA), as retention earned leave, after completion of service of five years, which can be encashed or accumulated till retirement. The liability towards LSA is provided for on accrual basis as estimated by the management.

c. Post-Employment Benefits

i. Defined contribution plan:

(A) Provident fund:

Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(B) Employee's State Insurance Scheme:

Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

ii. Defined benefit plan

Gratuity:

The company provides for gratuity, a defined benefit plan ('the Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at

retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the Other Comprehensive Income in the year in which they arise. Liability is funded through a separate Gratuity Trust. The short/excess of gratuity liability as compared to the net fund held by the Gratuity Trust is accounted for as liability/asset as at the Balance Sheet date.

d. Other Long Term Benefits

Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under defined benefit plans can be encashed only on discontinuation of service by employee.

2.13 Leases

As a Lessee

The Company's lease assets classes primarily consist of leases for Land & Buildings. The Company assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee,

Notes to Standalone Financial Statements

for the year ended March 31, 2023

except for short-term leases and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense in the statement of profit and loss.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company separately recognizes the interest expense on the lease liability as finance cost and the depreciation expense on the right-of-use asset.

Payments associated with short-term leases of warehouses are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Company has applied the practical expedient wherein it relied on its assessment of whether leases are onerous immediately before the date of initial application.

As a Lessor

Lease income from operating lease is recognized on a straight-line basis or another systematic basis as per the terms of the relevant lease. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as lease income.

2.14 Foreign Currency Transactions

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the

exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.15 Taxation

Tax expense for the year comprises of Current Tax and Deferred Tax are included in the determination of the net profit or loss for the year.

a. Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b. Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-

Notes to Standalone Financial Statements

for the year ended March 31, 2023

assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.16 Dividend Distribution:

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Company and is declared by the shareholders. A corresponding amount is recognized directly in the Equity.

2.17 Earnings per Share:

Basic earnings per share is calculated by dividing net profit/loss of the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding without a corresponding change in the resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares

outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.18 Contributed Equity:

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.20 Standards (including amendments) issued but not yet effective.

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023, to amend certain Ind AS which are effective from April 01, 2023. Below is a summary of such amendments:

(i) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements

The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

The amendments are effective for annual reporting periods beginning on or after April 01, 2023. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(ii) Definition of Accounting Estimates - Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between

Notes to Standalone Financial Statements

for the year ended March 31, 2023

changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments are effective for annual reporting periods beginning on or after April 01, 2023. The amendments are not expected to have a material impact on the Company's financial statements.

2.21 Standards that became effective during the year

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from April 01, 2022.

(i) Onerous Contracts- Cost of Fulfilling a Contract - Amendments to Ind AS 37

Ind AS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Company has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to Ind AS 37 clarify, that the costs relating directly to the contract consist of both:

- The incremental costs of fulfilling that contract- e.g. direct labour and material; and
- An allocation of other costs that relate directly to fulfilling contracts: e.g. Allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

These amendments have no impact on the financial statements of the Company.

(ii) References to the Conceptual Framework - Amendments to Ind AS 103

The amendments update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendment also add a new exception in Ind AS 103 for liabilities and contingent liabilities.

These amendments have no impact on the financial statements of the Company.

(iii) Property, Plant and Equipment: Proceeds Before Intended Use- Amendment to Ind AS 16

The amendment to Ind AS 16 clarifies that any excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

These amendments had no impact on the year-end financial statements of the Company as there were no sales of such items.

(iv) Ind AS 109 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liability

The amendment clarifies which fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the year.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

| Particulars | Land - freehold | Buildings (Including Roads & Lanes) | Plant & Equipment | Furniture and fixtures | Vehicles | Office equipment | Electrical fittings | Total property, plant and equipment | Capital work-in-progress |
|----------------------------------|-----------------|-------------------------------------|-------------------|------------------------|-----------------|------------------|---------------------|-------------------------------------|--------------------------|
| At cost or deemed cost | | | | | | | | | |
| As at April 1, 2021 | 1,699.02 | 14,700.50 | 18,373.86 | 1,194.10 | 989.99 | 1,632.35 | 960.45 | 39,550.27 | 117.06 |
| Additions | - | 41.45 | 975.80 | 78.84 | 280.27 | 221.23 | 9.63 | 1,607.22 | 2,300.54 |
| Disposals/transfer* | - | (9.09) | (598.34) | (2.08) | (85.38) | (13.68) | (2.62) | (711.19) | (2,353.82) |
| As at March 31, 2022 | 1,699.02 | 14,732.86 | 18,751.32 | 1,270.86 | 1,184.88 | 1,839.90 | 967.46 | 40,446.30 | 63.78 |
| Additions | 29.11 | 1,872.64 | 933.63 | 61.12 | 485.79 | 243.52 | 2.03 | 3,627.84 | 980.66 |
| Disposals/transfer* | - | (9.02) | (166.83) | (17.40) | (80.82) | (86.69) | (0.23) | (360.99) | (855.66) |
| As at March 31, 2023 | 1,728.13 | 16,596.48 | 19,518.12 | 1,314.58 | 1,589.85 | 1,996.73 | 969.26 | 43,713.15 | 188.78 |
| Accumulated depreciation | | | | | | | | | |
| As at April 1, 2021 | - | 4,257.50 | 7,653.41 | 507.21 | 541.22 | 809.81 | 425.74 | 14,194.89 | - |
| Depreciation charge for the year | - | 1,047.44 | 1,559.13 | 129.72 | 134.34 | 180.74 | 74.32 | 3,125.70 | - |
| Disposals/adjustments | - | (1.46) | (302.31) | (1.46) | (60.56) | (9.64) | (0.41) | (375.84) | - |
| As at March 31, 2022 | - | 5,303.49 | 8,910.23 | 635.47 | 615.00 | 980.91 | 499.66 | 16,944.76 | - |
| Depreciation charge for the year | - | 1,242.00 | 1,382.71 | 128.20 | 203.56 | 273.66 | 65.06 | 3,295.19 | - |
| Disposals/adjustments | - | (3.03) | (107.32) | (7.77) | (44.96) | (73.15) | (0.20) | (236.43) | - |
| As at March 31, 2023 | - | 6,542.46 | 10,185.62 | 755.90 | 773.60 | 1,181.42 | 564.52 | 20,003.52 | - |
| Net carrying amount | | | | | | | | | |
| As at March 31, 2022 | 1,699.02 | 9,429.37 | 9,841.10 | 635.39 | 569.88 | 858.98 | 467.80 | 23,501.54 | 63.78 |
| As at March 31, 2023 | 1,728.13 | 10,054.02 | 9,332.50 | 558.68 | 816.25 | 815.31 | 404.74 | 23,709.63 | 188.78 |

*Capital work in progress 'Disposal/transfer' includes ₹ Nil (March 31, 2022: ₹ 1,819 Lakhs) sold to its wholly owned subsidiary International Comfort Technologies Private Limited.

Notes:

- Property, plant and equipment has been pledged as security amounted ₹15,600 Lakhs (March 31, 2022: ₹ 15,600 Lakhs) against the financial guarantee of EURO 20 million on September 25, 2019 towards term loan granted by Citi Bank, Spain for its subsidiary Company International Foam Technologies S.L, Spain.
- Refer note no. 51 for disclosure of commitment for expenditure on account of acquisition of Property, plant and equipment.
- Refer note no. 43 for disclosure of title deeds of immovable properties not held in the name of the Company.
- Capital Work-in-progress represents assets under construction & installation at various sites and ageing analysis is as below:

(₹ in Lakhs)

| Capital Work-in-progress | March 31, 2023 | | | | | March 31, 2022 | | | | |
|--------------------------|--|-----------|-----------|-------------------|--------|--|-----------|-----------|-------------------|-------|
| | Amount in Capital Work-in-progress for a period of | | | | Total | Amount in Capital Work-in-progress for a period of | | | | Total |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 188.78 | - | - | - | 188.78 | 63.78 | - | - | - | 63.78 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 4 : RIGHT-OF-USE ASSETS

(₹ in Lakhs)

| Particulars | Leasehold land | Buildings | Total |
|--|-----------------|---------------|-----------------|
| Cost | | | |
| At April 1, 2021 | 2,046.03 | 31.97 | 2,078.00 |
| Additions | 173.52 | 275.49 | 449.01 |
| Disposal/transfer | (549.46) | - | (549.46) |
| As at March 31, 2022 | 1,670.09 | 307.46 | 1,977.55 |
| Additions | - | 40.54 | 40.54 |
| Disposal/transfer | (5.61) | (266.95) | (272.56) |
| As at March 31, 2023 | 1,664.48 | 81.05 | 1,745.53 |
| Accumulated Depreciation | | | |
| At April 1, 2021 | 41.66 | 21.35 | 63.01 |
| Charge for the year | 19.51 | 72.01 | 91.52 |
| Disposal/transfer | (12.10) | - | (12.10) |
| As at March 31, 2022 | 49.07 | 93.36 | 142.43 |
| Charge for the year | 20.51 | 40.49 | 61.00 |
| Disposal/transfer | - | (88.99) | (88.99) |
| As at March 31, 2023 | 69.58 | 44.86 | 114.44 |
| Net book value as at March 31, 2022 | 1,621.02 | 214.10 | 1,835.12 |
| Net book value as at March 31, 2023 | 1,594.90 | 36.19 | 1,631.09 |

(i) Refer note no. 46 for detailed disclosures as per Ind AS 116 'Leases'.

NOTE 5 : INVESTMENT PROPERTY

(₹ in Lakhs)

| Particulars | Leasehold land | Freehold land | Buildings | Total |
|--|----------------|---------------|---------------|---------------|
| Cost | | | | |
| At April 1, 2021 | 68.47 | 10.90 | 432.30 | 511.67 |
| Additions | - | - | - | - |
| Disposal/Transfer | - | - | - | - |
| As at March 31, 2022 | 68.47 | 10.90 | 432.30 | 511.67 |
| Additions | - | - | - | - |
| Disposal/Transfer | - | - | - | - |
| As at March 31, 2023 | 68.47 | 10.90 | 432.30 | 511.67 |
| Accumulated Depreciation | | | | |
| At April 1, 2021 | 4.55 | - | 122.68 | 127.23 |
| Charge for the year | 0.91 | - | 20.83 | 21.74 |
| Disposal/transfer | - | - | - | - |
| As at March 31, 2022 | 5.46 | - | 143.51 | 148.97 |
| Charge for the year | 0.91 | - | 19.29 | 20.20 |
| Disposal/transfer | - | - | - | - |
| As at March 31, 2023 | 6.37 | - | 162.80 | 169.17 |
| Net book value as at March 31, 2022 | 63.01 | 10.90 | 288.79 | 362.70 |
| Net book value as at March 31, 2023 | 62.10 | 10.90 | 269.50 | 342.50 |

Notes:

- Refer 'Para- 2.3' of Significant Accounting Policies' for depreciation and measurement of investment property.
- The leasehold land has been amortised during the year by ₹ 0.91 Lakhs (March 31, 2022: ₹ 0.91 Lakhs) as per the accounting policy in terms of the Ind AS 40 on 'Investment Property'.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

c. Income from investment property

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Rental Income derived from investment property | 216.63 | 214.73 |
| Profit arising from investment property before depreciation | 216.63 | 214.73 |
| (Less): Depreciation for the year | (20.20) | (21.74) |
| Net Profit arising from investment property | 196.43 | 192.99 |

- d. The Company has obtained independent valuation for its investment properties at ₹ 2,884.95 Lakhs as on March 31, 2023 and ₹ 2,591.31 Lakhs as on March 31, 2022. These valuations are based on valuations performed by K.S. Agrawal Associates, an accredited independent valuer. K.S. Agrawal Associates is a specialist in valuing these types of investment properties and reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an asset of equivalent utility, depreciation and obsolescence.

Fair market value is the amount expressed in terms of money that may reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that Company shall continue to operate and run the assets to have economic utility. The fair value is on 'as is where is' basis.

- e. There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements thereof and there are no restrictions on remittance of income and proceeds of disposal.
- f. The investment properties which are leasehold properties, realisability of the same is subject to the terms and conditions under the respective lease agreements.
- g. The Company's Investment Properties are given on cancellable lease for a period 1-10 years.

NOTE 6 : INVESTMENTS IN SUBSIDIARIES

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|------------------|----------------------|------------------|
| | Number | ₹ in Lakhs | Number | ₹ in Lakhs |
| Investment in equity shares (Unquoted, at cost) (fully paid up) | | | | |
| Joyce Foam PTY. Limited - Face value per share of Aud \$ 10/- each | 6,58,500 | 2,306.59 | 6,58,500 | 2,306.59 |
| Divya Software Solutions Private Limited - Face value per share of ₹ 10/- each | 94,633 | 7,602.00 | 94,633 | 7,602.00 |
| Sleepwell Enterprises Private Limited - Face value per share of ₹ 10/- each | 10,500 | 109.20 | 10,500 | 109.20 |
| International Foam Technologies SL, Spain - Face value per share of Euro 1/-each | 1,20,03,000 | 9,638.86 | 1,20,03,000 | 9,638.86 |
| Staqa World Private Limited - Face value per share of ₹ 10/- each | 10,000 | 0.73 | 10,000 | 0.73 |
| International Comfort Technologies Private Limited - Face value per share of ₹ 10/- each | 1,00,000 | 10.00 | 1,00,000 | 10.00 |
| Total | 1,28,76,633 | 19,667.38 | 1,28,76,633 | 19,667.38 |
| Aggregate amount of Unquoted Investments | | 19,667.38 | | 19,667.38 |
| Aggregate amount of impairment in value of investments | | - | | - |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 6.1 : INFORMATION ABOUT SUBSIDIARIES

| Name of the Company and Country of Incorporation | Principal Activities | (% of Shareholding) | |
|---|--|----------------------|----------------------|
| | | As at March 31, 2023 | As at March 31, 2022 |
| Joyce Foam PTY. Limited, Australia | Manufacturer of technical foam supplied to Business to Business customers (mattress and furniture manufacturers) | 100 | 100 |
| Divya Software Solutions Private Limited, India | Software development and related ancillary activities | 100 | 100 |
| Sleepwell Enterprises Private Limited, India | Providing of its Trademarks, Patents, Logos etc. and earning royalty thereon | 100 | 100 |
| International Foam Technologies SL, Spain | To invest in a Wholly Owned Subsidiary Company in Spain, engaged in manufacturing of Polyurethane Foam | 100 | 100 |
| Staqo World Private Limited, India | Information technology and related ancillary activities | 100 | 100 |
| International Comfort Technologies Private Limited, India | Manufacturer of mattresses supplied to domestic & overseas customers | 100 | 100 |

The country of incorporation or registration is also their principal place of business.

NOTE 7 : INVESTMENT IN PREFERENCE SHARES

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | Number | ₹ in Lakhs | Number | ₹ in Lakhs |
| Investment in 5% optionally convertible preference shares (Unquoted, at cost) (fully paid up) | | | | |
| International Comfort Technologies Private Limited of ₹ 10/- each | 2,99,00,000 | 2,990.00 | 2,99,00,000 | 2,990.00 |
| | 2,99,00,000 | 2,990.00 | 2,99,00,000 | 2,990.00 |
| Aggregate amount of Unquoted Investment | | 2,990.00 | | 2,990.00 |
| Aggregate amount of impairment in value of investment | | - | | - |

NOTE 8 : OTHER INVESTMENTS

| Particulars | (₹ in Lakhs) | |
|---|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| In Bonds & Debentures - fully paid up | | |
| Carried at amortised cost - Unquoted | 0.35 | 0.35 |
| Carried at fair value through Other Comprehensive Income - Quoted | - | 47,876.02 |
| Carried at fair value through Profit & Loss - Unquoted | 5,640.94 | 5,006.80 |
| Total Investments | 5,641.29 | 52,883.17 |
| Aggregate amount of Quoted Investments | - | 47,876.02 |
| Market value of Quoted Investments | - | 47,876.02 |
| Aggregate amount of Unquoted investment | 5,641.29 | 5,007.15 |
| Aggregate amount of impairment in value of investments | - | - |

The above bonds and debentures carries coupon rate ranging from 8% to 10.50% (March 31, 2022: 8% to 10.50%).

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 9 : LOANS (NON CURRENT)

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (Unsecured, considered good) | | |
| At amortised cost | | |
| Loans to employees | 10.53 | 7.60 |
| Loan to Subsidiaries (refer note no. 45 & 69) | 12,218.61 | 7,770.40 |
| Total | 12,229.14 | 7,778.00 |

NOTE 10 : OTHER FINANCIAL ASSETS (NON CURRENT)

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (Unsecured, considered good) | | |
| Security deposits | 302.08 | 371.90 |
| Deposits with banks: | | |
| – held as margin money | 1.34 | 1.34 |
| Lease receivable (refer note no. 45 & 46B) | 1,394.65 | 1,533.85 |
| Total | 1,698.07 | 1,907.09 |

NOTE 11 : NON CURRENT TAX ASSETS (NET)

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Advance income tax (net of provision of ₹ 12,814.16 Lakhs (March 31, 2022: ₹ 24,690.64 Lakhs)) | 671.16 | 463.33 |
| Total | 671.16 | 463.33 |

NOTE 12 : OTHER NON CURRENT ASSETS

| Particulars | (₹ in Lakhs) | |
|-------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (Unsecured, considered good) | | |
| Capital advances* | 137.83 | 181.20 |
| Prepaid rent | 38.48 | 38.82 |
| Loan & advances | 147.36 | 40.00 |
| Total | 323.67 | 260.02 |

*For value of Contracts in capital account remaining to be executed (refer note no. 51).

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 13 : INVENTORIES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| (Valued at lower of cost and net realisable value unless otherwise stated) | | |
| Raw materials | 8,129.77 | 8,999.79 |
| Raw materials (In transit) | 1,718.03 | 2,702.45 |
| Work-in-progress | 5,013.43 | 4,912.92 |
| Finished goods | 972.70 | 1,281.82 |
| Stock-in-trade | 1,429.24 | 840.21 |
| Packing materials | 536.34 | 726.38 |
| Packing materials (In transit) | 35.29 | 54.88 |
| Stores and spares | 1,041.18 | 797.06 |
| Stores & spares (In transit) | 18.39 | 31.10 |
| Total | 18,894.37 | 20,346.61 |

Notes:

- Value of inventories above is net of provision for slow moving/obsolete inventories amounting to ₹ 23.79 Lakhs (March 31, 2022: ₹ 10.89 Lakhs) for write-down to net realisable value and provision for slow-moving and obsolete items.
- Inventories held by Company are subject to hypothecation by bankers towards working capital limits obtained by the Company but not utilised till March 31, 2023.

NOTE 14 : INVESTMENTS

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| In Mutual Funds - fully paid up | | |
| Carried at fair value through profit and loss- Quoted | 70,647.60 | 8,398.45 |
| Total Investments | 70,647.60 | 8,398.45 |
| Aggregate amount of Quoted Investments | 70,647.60 | 8,398.45 |
| Aggregate market value of Quoted Investments | 70,647.60 | 8,398.45 |

NOTE 15 : TRADE RECEIVABLES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| (At amortised cost) | | |
| Unsecured | | |
| Trade receivables - considered good (refer note below) | 16,400.40 | 13,601.78 |
| Trade receivables - considered doubtful | 219.47 | 58.97 |
| Trade receivables (gross) | 16,619.87 | 13,660.75 |
| Less: Impairment allowance for trade receivables considered doubtful | (219.47) | (58.97) |
| Total | 16,400.40 | 13,601.78 |
| Further classified as | | |
| Receivable from related parties (refer note no. 45) | 4,209.84 | 198.81 |
| Receivable from others | 12,190.56 | 13,402.97 |
| | 16,400.40 | 13,601.78 |

Notes :

- No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.
- Trade receivables are usually non-interest bearing and are on trade terms of 0 - 60 days.
- For trade receivables, the Company has applied the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

d. Movement in the expected credit loss allowance

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Balance at the beginning of the year | 58.97 | 58.97 |
| Charge / (reversal) in allowance during the year (net) | 160.50 | - |
| Balance at the end of the year | 219.47 | 58.97 |

- e. Refer note no. 49 for information about credit and market risk of trade receivables.
- f. Realization from trade receivables held by Company are subject to hypothecation by bankers towards working capital limits obtained by the Company.
- g. Below is the ageing analysis of trade receivables

| As on March 31, 2023 | | (₹ in Lakhs) | | | | | |
|--|--|-----------------------|----------------------|---------------|-------------|----------------------|------------------|
| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | more than 3 years | |
| (i) Undisputed trade receivables | | | | | | | |
| – considered good | 8,866.60 | 7,359.73 | 93.11 | 53.78 | 5.84 | 21.34 | 16,400.40 |
| – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (ii) Disputed trade receivables | | | | | | | |
| – considered good | - | - | - | - | - | - | - |
| – which have significant increase in credit risk | - | 39.53 | 40.13 | 122.51 | - | 17.30 | 219.47 |
| Total | 8,866.60 | 7,399.26 | 133.24 | 176.29 | 5.84 | 38.64 | 16,619.87 |

| As on March 31, 2022 | | (₹ in Lakhs) | | | | | |
|--|--|-----------------------|----------------------|--------------|--------------|----------------------|------------------|
| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | more than 3 years | |
| (i) Undisputed trade receivables | | | | | | | |
| – considered good | 7,702.42 | 5,790.49 | 67.32 | 6.92 | 2.97 | 28.86 | 13,598.98 |
| – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (ii) Disputed trade receivables | | | | | | | |
| – considered good | - | - | - | 2.80 | - | - | 2.80 |
| – which have significant increase in credit risk | - | 7.94 | 1.35 | 5.35 | 33.25 | 11.08 | 58.97 |
| Total | 7,702.42 | 5,798.43 | 68.67 | 15.07 | 36.22 | 39.94 | 13,660.75 |

NOTE 16 : CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Balance Sheet as follows:

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Balance with banks : | | |
| Current accounts | 1,034.20 | 481.84 |
| Fixed deposits account with an original maturity of less than three months | 1.00 | 933.87 |
| Cash on hand | 7.41 | 15.65 |
| Total | 1,042.61 | 1,431.36 |

Notes:

- a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior year.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

- b) Cash balances with bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of one to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

NOTE 17 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Deposits having original maturity more than 3 months but less than 12 months | 26.65 | 31.58 |
| Total | 26.65 | 31.58 |

Note:

Other bank balances represent fixed deposits with banks.

NOTE 18 : LOANS

| Particulars | (₹ in Lakhs) | |
|-------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (Unsecured, considered good) | | |
| At amortised cost | | |
| Loans to employees | 59.07 | 55.07 |
| Inter-corporate deposits | - | 500.00 |
| Total | 59.07 | 555.07 |

Note:

In the above, no loans or advances are granted to promoters, directors, KMPs and related parties.

NOTE 19 : OTHER FINANCIAL ASSETS (CURRENT)

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (Unsecured, considered good) | | |
| Interest accrued but not due on deposits with Banks, bonds and debentures | 5.57 | 1,983.16 |
| Interest accrued on loan given to subsidiary companies (refer note no. 45) | 403.82 | 83.27 |
| Insurance claim receivable | 0.22 | 0.11 |
| Other Receivables (refer note no. 45) | 88.88 | - |
| Lease receivable (refer note no. 45 & 46B) | 129.72 | 107.88 |
| Other loans & advances (refer note below) | 11.79 | 643.35 |
| Total | 640.00 | 2,817.77 |

Note:

Other loans & advances comprise of advances to staff for expenses and advances to other parties etc.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 20 : OTHER CURRENT ASSETS

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| (Unsecured, considered good) | | |
| Advance to contractors/suppliers | 1,429.90 | 651.87 |
| Balances with Statutory/Government authorities: | | |
| - Excise & Custom | 250.80 | 13.58 |
| - GST | 904.09 | 216.59 |
| - VAT/Sales Tax | 486.14 | 486.14 |
| Prepaid expenses (refer note (a)) | 418.84 | 322.32 |
| Lease equalisation | 68.24 | 66.33 |
| Right to recover return goods (refer note (b)) | 146.12 | 166.14 |
| Total | 3,704.13 | 1,922.97 |

Notes:

- (a) Prepaid expenses includes amount of ₹ 47 Lakhs towards amount available for set off in pursuant of sub-rule(3) of rule 7 of the Companies (Corporate social responsibility policy) rules, 2014 (refer note no. 57).
- (b) In certain cases, the Company provides its customers right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, the Company recognises liability for expected sales return, a receivables on expected sales return (and corresponding adjustment to change in inventory is also recognised for the receivables on expected sales return from a customer).

NOTE 21 : EQUITY SHARE CAPITAL

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| (a) Authorised share capital: | | |
| 20,00,00,000 fully paid equity shares of ₹ 5/- each (March 31, 2022 : 8,80,21,000 fully paid equity shares of ₹ 5/- each) | 10,000.00 | 4,401.05 |
| | 10,000.00 | 4,401.05 |
| Issued, subscribed & paid up share capital: | | |
| 9,75,65,616 fully paid equity shares of ₹ 5/- each (March 31, 2022 : 4,87,82,808 equity shares of ₹ 5/- each) | 4,878.28 | 2,439.14 |
| Total | 4,878.28 | 2,439.14 |

(b) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | Number of shares | ₹ in Lakhs | Number of shares | ₹ in Lakhs |
| At the beginning of the year | 4,87,82,808 | 2,439.14 | 4,87,82,808 | 2,439.14 |
| Bonus shares issued during the year (refer note no. 21(e)) | 4,87,82,808 | 2,439.14 | - | - |
| Outstanding at the end of the year | 9,75,65,616 | 4,878.28 | 4,87,82,808 | 2,439.14 |

(c) Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 5/- per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity Shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(d) Details of shareholders holding more than 5% shares in the Company

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---------------------------------|----------------------|--------------|----------------------|--------------|
| | Number of shares | % of holding | Number of shares | % of holding |
| Sh. Rahul Gautam | 1,24,18,970 | 12.73% | 62,09,485 | 12.73% |
| Smt. Namita Gautam | 1,14,31,758 | 11.72% | 57,15,879 | 11.72% |
| Sh. Tushaar Gautam | 3,41,72,628 | 35.03% | 1,70,86,314 | 35.03% |
| Rangoli Resorts Private Limited | 1,31,50,818 | 13.47% | 65,63,391 | 13.45% |
| SBI Magnum Midcap Fund | 84,70,282 | 8.68% | 43,84,301 | 8.99% |
| Kotak Emerging Equity Scheme | 63,00,647 | 6.46% | 30,84,942 | 6.32% |
| DSP Midcap Fund | 43,11,428 | 4.42% | 24,38,196 | 5.00% |

(e) Aggregate number and class of shares allotted as fully paid up by way of bonus shares

During the year 4,87,82,808 fully paid up equity shares of ₹ 5/- each, were allotted by way of bonus shares to all the shareholders in the ratio of 1:1.

(f) Shareholding of promoters & promoter group

| Shares held by promoters at the end of the year | As at March 31, 2023 | | | As at March 31, 2022 | | |
|---|----------------------|---------------|--------------------------|----------------------|---------------|--------------------------|
| | Number of shares | % of holding | % Change during the year | Number of shares | % of holding | % Change during the year |
| Sh. Rahul Gautam | 1,24,18,970 | 12.73% | - | 62,09,485 | 12.73% | - |
| Smt. Namita Gautam | 1,14,31,758 | 11.72% | - | 57,15,879 | 11.72% | - |
| Sh. Tushaar Gautam | 3,41,72,628 | 35.03% | - | 1,70,86,314 | 35.03% | - |
| Rangoli Resorts Private Limited | 1,31,50,818 | 13.47% | 0.02% | 65,63,391 | 13.45% | - |
| Core Mouldings Private Limited | - | - | -0.02% | 12,018 | 0.02% | - |
| Total | | 72.95% | | | 72.95% | |

(g) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end. However, certain bonus shares has been issued during the year, refer (e) above.

NOTE 22 : OTHER EQUITY

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Capital reserve (refer note (a) below) | - | 328.57 |
| General reserve (refer note (b) below) | - | 1,716.27 |
| Retained earnings | 1,34,962.08 | 1,16,044.50 |
| Other comprehensive income | - | 423.97 |
| Cash flow hedge reserve (refer note (c) below) | (260.25) | - |
| Total | 1,34,701.83 | 1,18,513.31 |

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------|----------------------|----------------------|
| Capital Reserve | | |
| Opening balance | 328.57 | 328.57 |
| Bonus shares issued during the year | (328.57) | - |
| Closing balance | - | 328.57 |
| General reserve | | |
| Opening balance | 1,716.27 | 1,716.27 |
| Bonus shares issued during the year | (1,716.27) | - |
| Closing balance | - | 1,716.27 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Retained earnings | | |
| Opening balance | 1,16,044.50 | 96,671.76 |
| Net profit for the year | 19,485.94 | 19,731.48 |
| Bonus shares issued during the year | (394.30) | - |
| Expenses towards Increase in authorised capital | (50.39) | - |
| Remeasurements of the net defined benefit plans (net of tax) | (123.67) | (358.74) |
| Closing balance | 1,34,962.08 | 1,16,044.50 |
| Other Comprehensive Income | | |
| Opening balance | 423.97 | 181.59 |
| Fair value gain/(loss) on debt instruments (net of tax) | - | 242.38 |
| Realised gain from debt instruments transferred to profit and loss (net of tax) | (423.97) | - |
| Closing balance | - | 423.97 |
| Cash flow hedge reserve | | |
| Opening balance | - | - |
| Loss on cash flow hedge reserve (net of tax) | (260.25) | - |
| Closing balance | (260.25) | - |

Notes:

(a) Capital reserve

During amalgamation of the subsidiaries in the year 2012-13, the excess of net assets taken, over the cost of consideration paid was treated as capital reserve. During the year, Company had issued bonus share in the ratio of 1:1 out of capital reserve of ₹328.57 Lakhs.

(b) General reserve

The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. During the year, Company had issued bonus share in the ratio of 1:1 out of general reserve of ₹1,716.27 Lakhs.

(c) Cash flow hedge reserve

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated under the heading of cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss.

NOTE 23 : LEASE LIABILITIES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Lease liabilities (refer note no. 46A) | 1,615.25 | 1,939.84 |
| Total | 1,615.25 | 1,939.84 |
| Current | 127.06 | 113.12 |
| Non current | 1,488.19 | 1,826.72 |

NOTE 24 : OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Deposits from dealers and others | 2,528.16 | 4,941.19 |
| Unearned Interest Income on deposits from dealers | - | 66.00 |
| Unearned Rent Income | 20.00 | 26.89 |
| Total | 2,548.16 | 5,034.08 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 25 : PROVISIONS

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Long-term provisions: | | |
| Provision for employee benefits: | | |
| – Compensated absences | 414.10 | 364.26 |
| Other provisions: | | |
| – Provision for warranty (refer note below) | 483.33 | 238.31 |
| Total | 897.43 | 602.57 |
| Short-term provisions: | | |
| Provision for employee benefits: | | |
| – Compensated absences | 9.66 | 9.35 |
| – Gratuity | 439.04 | 603.04 |
| Other provisions: | | |
| – Provision for warranty (refer note below) | 639.89 | 441.02 |
| Total | 1,088.59 | 1,053.41 |

Note:

Provision for warranty:

Provision is recognised for expected warranty claims on mattresses sold, based on past experience of the level of returns and in accordance with the Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets". Assumptions used for the said provision are sales return trend based on past warranty sales. The table below gives information about movement in warranty provision:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------|-------------------------|-------------------------|
| At the beginning of the year | 679.33 | 622.07 |
| Add : Created during the year | 1,175.79 | 983.10 |
| Less : Utilised during the year | (731.90) | (925.84) |
| At the end of the year | 1,123.22 | 679.33 |

NOTE 26 : OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|------------------------|-------------------------|-------------------------|
| Deferred capital grant | 19.85 | 22.70 |
| Total | 19.85 | 22.70 |

The table below gives information about movement in deferred capital grant:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| At the beginning of the year | 25.52 | 28.36 |
| Less : Realised to statement of profit and loss | 2.83 | 2.84 |
| At the end of the year | 22.69 | 25.52 |
| Non Current | 19.85 | 22.70 |
| Current | 2.84 | 2.82 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 27 : DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------|-------------------------|-------------------------|
| Deferred tax liabilities (net) | 189.02 | 482.45 |
| Total | 189.02 | 482.45 |

Movement of deferred tax (assets)/liabilities

(₹ in Lakhs)

| Particulars | Opening balance | Recognised in the statement of profit or loss | Closing balance |
|---|--------------------|---|--------------------|
| As at March 31, 2023 | | | |
| Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting purposes | 316.63 | 261.04 | 577.67 |
| Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis | (291.02) | 181.44 | (109.58) |
| Fair value gain/(loss) on financial instruments at fair value through statement of profit or loss (net) | 62.48 | 157.87 | 220.35 |
| Remeasurements gain / (loss) of the net defined benefit plans | - | (41.59) | (41.59) |
| MTM loss on forward currency swap contract | - | (420.32) | (420.32) |
| Lease liabilities (net) | 387.94 | (370.25) | 17.69 |
| Others | 6.42 | (61.62) | (55.20) |
| Total | 482.45 | (293.43) | 189.02 |

(₹ in Lakhs)

| Particulars | Opening balance | Recognised in the statement of profit or loss | Closing balance |
|---|--------------------|---|--------------------|
| As at March 31, 2022 | | | |
| Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting purposes | 796.34 | (479.71) | 316.63 |
| Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis | (32.60) | (258.42) | (291.02) |
| Fair value gain/(loss) on financial instruments at fair value through statement of profit or loss (net) | 69.24 | (6.76) | 62.48 |
| Lease liabilities (net) | (4.00) | 391.94 | 387.94 |
| Others | - | 6.42 | 6.42 |
| Total | 828.98 | (346.53) | 482.45 |

NOTE 28 : TRADE PAYABLES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Trade payables other than acceptances: | | |
| (i) Total outstanding dues of micro enterprises and small enterprises (refer note no. 56) | 630.91 | 444.61 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 17,645.99 | 18,941.42 |
| Total | 18,276.90 | 19,386.03 |

Notes:

- Trade payables due to related parties are disclosed in note no. 45.
- Trade payables for micro and small enterprises are non interest bearing and are normally settled on 7 days to 30 days credit terms.
- Trade payables other than micro and small enterprises are non interest bearing and are normally settled on 60 days to 90 days credit terms.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

d. Ageing Analysis for Trade payables

As on March 31, 2023

(₹ in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|------------------|------------------|--------------|-------------|-------------------|------------------|
| | Unbilled Dues | Payables not due | Less than 1 Year | 1-2 years | 2-3 years | more than 3 years | |
| (i) MSME | - | 630.91 | - | - | - | - | 630.91 |
| (ii) Others | 394.67 | 17,133.25 | 99.05 | 18.54 | 0.48 | - | 17,645.99 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total | 394.67 | 17,764.16 | 99.05 | 18.54 | 0.48 | - | 18,276.90 |

As on March 31, 2022

(₹ in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|------------------|------------------|-------------|-------------|-------------------|------------------|
| | Unbilled Dues | Payables not due | Less than 1 year | 1-2 years | 2-3 years | more than 3 years | |
| (i) MSME | - | 444.61 | - | - | - | - | 444.61 |
| (ii) Others | 3,329.69 | 15,577.11 | 30.45 | 0.68 | 3.49 | - | 18,941.42 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total | 3,329.69 | 16,021.72 | 30.45 | 0.68 | 3.49 | - | 19,386.03 |

NOTE 29 : OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Creditors for capital goods | 68.63 | 63.28 |
| Deposits from dealers and others | 6,283.61 | 3,996.74 |
| Liability against foreign currency swap contracts | 2,268.27 | - |
| Unearned Interest Income on deposits from dealers | - | 63.99 |
| Unearned rent Income | 6.89 | 6.87 |
| Total | 8,627.40 | 4,130.88 |

NOTE 30 : CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Income tax payable (Net of advance tax ₹ 6,700.35 Lakhs (March 31, 2022: ₹ Nil)) | 115.53 | - |
| Total | 115.53 | - |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 31 : OTHER CURRENT LIABILITIES

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Refund liabilities | 235.95 | 265.82 |
| Deferred capital grant (refer note (a)) | 2.84 | 2.82 |
| Contract liabilities (refer note (b)) | 3,753.61 | 3,518.65 |
| Statutory dues payable | 1,575.51 | 1,368.51 |
| Employees & other Liabilities (refer note (c)) | 1,981.39 | 2,057.51 |
| Total | 7,549.30 | 7,213.31 |

Notes:

- Refer note no. 26 for the movement in deferred capital grant.
- Consists of advances received from customers towards supply of products.
- Consists of liabilities pertaining to employees of ₹ 1,894.43 Lakhs (March 31, 2022: of ₹ 2,025.79 Lakhs).

NOTE 32 : REVENUE FROM OPERATIONS

| Particulars | (₹ in Lakhs) | |
|---------------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Sale of products (refer note below) | 2,00,908.46 | 2,00,027.38 |
| Sale of services | 631.68 | 605.13 |
| | 2,01,540.14 | 2,00,632.51 |
| Other operating revenue | | |
| – Income from sale of processed scrap | 440.86 | 175.12 |
| – Other Operating Revenue | 0.56 | 13.36 |
| Total | 2,01,981.56 | 2,00,820.99 |

Note:

Includes sale of finished goods and semi-finished goods and services to related parties (refer note no. 45).

Reclassifications and comparative figures:-

Certain reclassifications have been made to the comparative year's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been reclassified in the statement of profit and loss, the details of which are as under:

Items of Statement of Profit and Loss before and after reclassification for the year ended March 31, 2022

| Particulars | (₹ in Lakhs) | | |
|----------------------------|-----------------------------------|------------------|----------------------------------|
| | Amount before reclassification | Reclassification | Amount after reclassification |
| Revenue from operations | 2,12,443.99 | (11,623.00) | 2,00,820.99 |
| Cost of Materials Consumed | 1,25,119.54 | 3,475.00 | 1,28,594.54 |
| Other Expenses | 42,885.27 | (15,098.00) | 27,787.27 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 32.1 : DISAGGREGATED REVENUE INFORMATION

Set out below is the disaggregation of the Company's revenue from contracts with customers:

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Geographical Revenue | | |
| Type of goods | | |
| Revenue from external customers | 2,00,908.46 | 2,00,027.38 |
| Total revenue from contracts with customers | | |
| India | 1,99,653.77 | 1,95,442.02 |
| Outside India | 1,254.69 | 4,585.36 |
| | 2,00,908.46 | 2,00,027.38 |
| Type of services (IT Support Services) | | |
| Revenue from external customers | 631.68 | 605.13 |
| Total revenue from contracts with customers | | |
| India | 205.90 | 179.45 |
| Outside India | 425.78 | 425.68 |
| | 631.68 | 605.13 |
| Total revenue from contracts with customers | 2,01,540.14 | 2,00,632.51 |

NOTE 32.2 : CONTRACT BALANCES

The following table provides information about receivables and contract liabilities from contract with customers.

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Contract Liabilities | | |
| Advance from customers (refer note no. 31) | 3,753.61 | 3,518.65 |
| Receivables | | |
| Trade Receivables (refer note no. 15) | 16,400.40 | 13,601.78 |

Note :

Receivables is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the Company's obligation to transfer goods or services to a customer for which the Company has received consideration from the customer in advance.

Note 32.3 : RECONCILING THE AMOUNT OF REVENUE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS WITH THE CONTRACTED PRICE

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Revenue as per contracted price (goods and services) | 2,20,422.42 | 2,17,616.54 |
| Less: Adjustments: | | |
| Sales return | 793.37 | 1,260.72 |
| Rebate and discount | 18,088.91 | 15,723.31 |
| Revenue from contracts with customers | 2,01,540.14 | 2,00,632.51 |

NOTE 32.4 : PERFORMANCE OBLIGATIONS

The performance obligation for sale of product is considered as fulfilled according to the terms agreed with the respective customer. The performance obligation for sale of services is satisfied over the period of time as per contract with customers.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 33 : OTHER INCOME

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Interest income from: | | |
| Financial assets at amortised cost | | |
| Bank deposits | 14.12 | 7.33 |
| Loan given to subsidiary companies (refer note no. 45) | 350.23 | 170.42 |
| Inter-corporate-deposit | 28.48 | 45.00 |
| Others | 194.61 | - |
| Financial assets at fair value | | |
| Currency swap forward contract | 335.17 | - |
| Bonds | 2,646.85 | 3,713.11 |
| Unwinding of discount of deposits & lease receivable | 140.14 | 38.58 |
| Income tax refund | 172.77 | 5.88 |
| Other non operating income | | |
| Guarantee commission (refer note no. 45) | 121.90 | 107.17 |
| Rental income (refer note (a)) | 250.69 | 239.21 |
| Gain on sale/disposal of fixed assets | 48.56 | 107.95 |
| Liabilities/provisions no longer required written back | 11.66 | 59.43 |
| Income from sale of Mutual fund - designated at fair value through profit and loss | 889.31 | 541.57 |
| Income from sale of bond - designated at fair value through other comprehensive income | 975.30 | 686.91 |
| Fair valuation adjustments of Investments through profit and loss (refer note (b)) | 872.62 | - |
| Subsidy income | 2.84 | 2.84 |
| Sale of non-processed scrap | 633.46 | 572.20 |
| Net gain on foreign currency transactions and translations | 88.53 | 684.71 |
| Other miscellaneous income | 84.03 | 40.07 |
| Total | 7,861.27 | 7,022.38 |

Notes:

- Includes rental income of ₹ 216.63 Lakhs (March 31, 2022: ₹ 214.73 Lakhs) from Investment property (refer note no. 5).
- Fair value through profit and loss of Investments represent fair valuation changes in mutual funds which includes dividend declared and not distributed (distributed based on record dates) as at reporting dates which have not been recognised in financial statements.

NOTE 34 : COST OF MATERIALS CONSUMED

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Raw material | | |
| Opening inventory | 11,702.24 | 15,016.93 |
| Add: Purchases | 1,08,959.99 | 1,22,234.22 |
| Less: Sales/adjustments | 4,597.98 | 4,445.35 |
| Less: Closing inventory (including goods in transit of ₹ 1,718.03 Lakhs (March 31, 2022: ₹ 2,702.45 Lakhs)) | 9,847.80 | 11,702.24 |
| Raw materials consumed | 1,06,216.45 | 1,21,103.56 |
| Packing Material | | |
| Opening inventory | 781.26 | 648.24 |
| Add: Purchases | 7,405.67 | 8,389.08 |
| Less: Sales/adjustments | 520.70 | 765.08 |
| Less: Closing inventory (including goods in transit of ₹ 35.29 Lakhs (March 31, 2022: ₹ 54.88 Lakhs)) | 571.63 | 781.26 |
| Packing materials consumed | 7,094.60 | 7,490.98 |
| Cost of materials consumed | 1,13,311.05 | 1,28,594.54 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 35 : PURCHASE OF STOCK-IN-TRADE

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Traded Goods -Bed sheets/comforters/PU foam/spring/coir mattresses | 14,887.73 | 5,331.06 |
| Total | 14,887.73 | 5,331.06 |

NOTE 36 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Closing stock: | | |
| Finished goods | 972.70 | 1,281.82 |
| Stock-in-trade | 1,429.24 | 840.21 |
| Work-in-progress | 5,013.43 | 4,912.92 |
| Right to recover return goods | 146.12 | 166.14 |
| | 7,561.49 | 7,201.09 |
| Opening stock: | | |
| Finished goods | 1,281.82 | 1,075.13 |
| Stock-in-trade | 840.21 | 138.23 |
| Work-in-progress | 4,912.92 | 5,122.10 |
| Right to recover return goods | 166.14 | - |
| | 7,201.09 | 6,335.46 |
| Changes in inventories of finished goods, stock in trade and work-in-progress | (360.40) | (865.63) |

NOTE 37 : OTHER MANUFACTURING EXPENSES

| Particulars | (₹ in Lakhs) | |
|------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Power and fuel | 780.93 | 755.30 |
| Repair and maintenance: | | |
| – Buildings | 238.53 | 119.29 |
| – Plant and equipment | 941.60 | 906.46 |
| Processing and other charges | 1,664.95 | 1,620.77 |
| Total | 3,626.01 | 3,401.82 |

NOTE 38 : EMPLOYEE BENEFITS EXPENSE

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Salaries, wages, allowance, and other benefits | 12,391.62 | 11,275.92 |
| Contribution to gratuity (refer note no. 44) | 273.77 | 167.29 |
| Contribution to provident and other funds | 712.80 | 654.37 |
| Workmen and staff welfare | 1,141.29 | 1,090.43 |
| Total | 14,519.48 | 13,188.01 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 39 : FINANCE COSTS

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Interest expense (on financial liabilities measured at amortised cost) : | | |
| - Security deposits | 526.92 | 523.06 |
| - On lease liabilities | 91.73 | 112.83 |
| - Others | 7.16 | 50.77 |
| Bank Charges | 11.57 | 24.29 |
| Total | 637.38 | 710.95 |

NOTE 40 : DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Depreciation on property, plant and equipment (refer note no. 3) | 3,295.19 | 3,125.70 |
| Depreciation on right-of-use assets (refer note no. 4) | 61.00 | 91.52 |
| Depreciation on investment property (refer note no. 5) | 20.20 | 21.74 |
| Total | 3,376.39 | 3,238.96 |

NOTE 41 : OTHER EXPENSES

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| IT Support services | 1,640.25 | 1,320.00 |
| Freight and forwarding | 8,880.66 | 9,203.50 |
| Rent and hire | 388.75 | 151.30 |
| Insurance | 619.93 | 463.81 |
| Rates and taxes | 61.48 | 32.03 |
| Legal and professional | 1,200.25 | 657.30 |
| Other maintenance | 1,265.11 | 975.65 |
| Selling and promotion | 6,932.02 | 3,933.77 |
| Travelling and conveyance | 1,475.64 | 861.44 |
| Loss on sale/disposal of fixed assets | - | 5.11 |
| Warranty | 1,175.79 | 983.10 |
| Advertisement | 6,124.86 | 6,379.10 |
| Net Loss on foreign currency forward contracts | 1,322.29 | - |
| Advances/Balances written off | 36.41 | 34.18 |
| Provision for Bad debts | 160.50 | - |
| Contributions towards corporate social responsibility expenditure (refer note no. 57) | 476.02 | 457.53 |
| Fair value loss for Investments designated through profit and loss | - | 382.97 |
| Miscellaneous | 2,018.21 | 1,946.48 |
| Total | 33,778.17 | 27,787.27 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 41.1 : Auditor's remuneration included in legal and professional (excluding GST)

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Statutory audit (including limited review)* | 32.00 | 36.00 |
| Certification* | 2.25 | 2.00 |
| Out of pocket expenses* | 1.84 | 1.00 |
| Total | 36.09 | 39.00 |

*Includes ₹ Nil (March 31, 2022 : ₹ 5.43 Lakhs) paid to erstwhile auditors.

NOTE 42 : EARNINGS PER SHARE

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Profit for the year attributable to Equity shareholders | 19,485.94 | 19,731.48 |
| Earnings used in the calculation of basic earnings per share | 19,485.94 | 19,731.48 |
| Earnings used in the calculation of diluted earnings per share | 19,485.94 | 19,731.48 |

(Numbers in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Weighted average number of equity shares for the purposes of basic and diluted earnings per share | 975.66 | 975.66 |

Note:

The EPS for year ended, March 31, 2022 has been adjusted on account of bonus issue made during the year ended March 31, 2023, as required by Ind AS 33 'Earnings per share'.

(₹ per share)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Basic and diluted earnings per share | 19.97 | 20.22 |

NOTE 43 :

There are no title deeds of Immovable Properties, which are not held in name of the Company.

NOTE 44 : EMPLOYEE BENEFITS

A. Defined contribution plans

Company's employees are covered by Provident Fund and Employees State Insurance Scheme/Fund and National Pension Scheme, to which the Company makes a defined contribution measured as a fixed percentage of salary. During the year, amount of ₹ 712.80 Lakhs (March 31, 2022: ₹ 654.37 Lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Employer's contribution towards Provident Fund (PF) | 621.20 | 564.52 |
| Employer's contribution towards Employees State Insurance (ESI) | 46.99 | 55.03 |
| Employer's contribution towards National Pension Scheme (NPS) | 44.61 | 34.82 |
| Total (refer note no. 38) | 712.80 | 654.37 |

B. Long Term Benefits

Long service award

Payable to the eligible employees as retention earned leave, after completion of service of five years, which can be en-cashed or accumulated till retirement. During the year Company had discontinued this policy. An amount of ₹ Nil (March 31, 2022: ₹ 146.01 Lakhs) has been charged to the Statement of Profit and Loss towards the said benefit.

C. Post employment benefits

Defined benefit plans

Gratuity

The employees' gratuity fund scheme, which is a defined benefit plan, is managed by a trust with effect from 2019 and is being maintained by SFL Employees gratuity trust. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure on 15 days of last drawn salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

This plan is governed by the Payment of Gratuity Act, 1972, which requires that each employee who has completed 5 years of service shall be entitled to gratuity which is equal to salary of 15 days for each completed year of service.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Discount rate | 7.36% | 7.51% |
| Future salary increase/salary escalation | 7.00% | 7.00% |
| Retirement age (years) | 60 | 60 |
| Mortality Tables | | |
| <i>Employee turnover</i> | | |
| 18 to 30 years | 3.40% | 3.00% |
| From 31 to 45 years | 3.70% | 2.00% |
| Above 45 years | 0.80% | 1.00% |

Notes:

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- Information given for retirement age is based on India's standard mortality table with modification to reflect expected changes in mortality/ others.

Quantitative sensitivity analysis for significant assumptions as at March 31, 2023 is shown below:

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

| Particulars | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Increase/(Decrease) on present value of defined benefits obligations at the end of the year | | |
| Discount rate | | |
| Increase by 1.00% | (296.17) | (270.71) |
| Decrease by 1.00% | 335.73 | 314.81 |
| Salary increase | | |
| Increase by 1.00% | 333.59 | 313.27 |
| Decrease by 1.00% | (299.67) | (274.26) |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss, Other Comprehensive Income and the funded status and amounts recognised in the Balance Sheet for the gratuity plan. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

Expense recognised in Statement of Profit and Loss and Other Comprehensive Income:

| Particulars | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Service cost: | | |
| Current service cost | 215.04 | 163.83 |
| Past service cost and (gain)/loss from settlements | - | - |
| Net interest expense | 58.73 | 3.47 |
| Components of defined benefit costs recognised in profit or loss | 273.77 | 167.30 |
| Remeasurement on the net defined benefit liability: | | |
| Actuarial (gains)/losses arising from changes in financial assumptions | 50.67 | 483.82 |
| Actuarial (gains)/losses arising from experience adjustments | 135.84 | (9.79) |
| Return on Plan Asset | (21.24) | 5.37 |
| Components of defined benefit costs recognised in other comprehensive income | 165.27 | 479.40 |
| Total | 439.04 | 646.70 |

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Present value of funded defined benefit obligation | 2,908.65 | 2,441.60 |
| Fair value of plan assets | (2,469.61) | (1,838.56) |
| Net deficit in funded plan (refer note no. 25) | 439.04 | 603.04 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Movements in the present value of the defined benefit obligation are as follows:

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Opening defined benefit obligation | 2,441.60 | 1,821.01 |
| Current service cost | 215.04 | 163.83 |
| Interest cost | 183.36 | 128.93 |
| Remeasurement (gains)/losses: | | |
| Actuarial gains and losses arising from changes in demographic assumptions | 1.35 | - |
| Actuarial gains and losses arising from changes in financial assumptions | 49.32 | 415.32 |
| Actuarial gains and losses arising from experience adjustments | 135.84 | (9.79) |
| Benefits paid | (117.86) | (77.70) |
| Closing defined benefit obligation | 2,908.65 | 2,441.60 |

Change in plan assets are as follows:

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Opening fair value of plan assets | 1,838.56 | 1,850.54 |
| Return on plan assets | 124.61 | 125.46 |
| Fund management charges | | |
| Employer contribution | 603.04 | 5.00 |
| Actuarial gain/loss on Asset | 21.24 | 5.37 |
| Benefits paid | (117.84) | (147.81) |
| Closing fair value of plan assets | 2,469.61 | 1,838.56 |

The major categories of plan assets:

| Particulars | (₹ in Lakhs) | |
|--------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Insurance products | 2,469.61 | 1,838.56 |
| Total | 2,469.61 | 1,838.56 |

Maturity profile of gratuity liability is as follows:

| Year | (₹ in Lakhs) | |
|----------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| 0 to 1 year | 124.93 | 51.90 |
| 1 to 2 Year | 106.00 | 43.76 |
| 2 to 3 Year | 119.88 | 55.29 |
| 3 to 4 Year | 156.39 | 102.16 |
| 4 to 5 Year | 125.07 | 151.93 |
| 5 Year onwards | 2,276.38 | 2,036.56 |

Expected contribution to the fund in next year (₹ in Lakhs)

688.52 823.87

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

a. Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk. A portion of the funds are invested in equity securities. The Company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a

Notes to Standalone Financial Statements

for the year ended March 31, 2023

fixed range. Any deviations from the range are corrected by rebalancing the portfolio.

The Company intends to maintain the above investment mix in the continuing years.

b. Changes in discount rate:

A decrease in discount rate will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' assets holdings.

c. Inflation risks

Gratuity payments are not linked to inflation, so this is a less material risk.

The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company uses derivatives to manage some of its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets consists of unit linked group insurance plan which further invests in government and corporate bonds, equities, money market instruments & public deposits. The plan asset mix is in compliance with the requirements of the respective local regulations.

NOTE 45 : RELATED PARTY TRANSACTIONS

(A) Names of related parties and nature of relationship are given below :

| Relationship | Name of the party |
|--|---|
| A. Subsidiary companies (wholly owned) | Joyce Foam PTY Ltd., Australia |
| | Divya Software Solutions Private Limited, India |
| | Sleepwell Enterprises Private Limited, India |
| | International Foam Technologies S.L, Spain |
| | Staquo World Private Limited, India |
| | International Comfort Technologies Private Limited, India |
| B. Entities in which Key Management Personnel or their Relatives have significance influence | Rangoli Resorts Private Limited |
| | Core Moulding Private Limited (Merged with Rangoli Resorts Private Limited w.e.f 30.03.2022) |
| | Sleepwell Foundation (Trust) |
| C. Key management personnel | Mr. Rahul Gautam (Managing Director) |
| | Mrs. Namita Gautam (Wholetime Director) |
| | Mr. Tushaar Gautam (Wholetime Director) |
| | Mr. Rakesh Chahar (Wholetime Director) |
| D. Step-down Subsidiaries | Interplasp, S.L, Spain (Subsidiary of International Foam Technologies SL, Spain) |
| | Joyce WC NSW PTY Limited (Subsidiary of Joyce Foam PTY Ltd., Australia) |
| | Staquo World Kft. (Subsidiary of Staquo World Private Limited) |
| | Staquo Incorporated. (Subsidiary of Staquo World Private Limited) |
| | Staquo Technologies L.L.C (Subsidiary of Staquo World Private Limited) |

(B) Disclosure of transactions between the Company and related parties during the year:

| Particulars | (₹ in Lakhs) | |
|---|-----------------------------------|-----------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| (i) Purchase of material/capital goods | | |
| Subsidiaries/Step-down subsidiary | | |
| Joyce Foam PTY Ltd., Australia | - | 0.16 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

| Particulars | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| International Comfort Technologies Private Limited, India | 1,584.04 | 315.96 |
| Interplasp, SL, Spain | - | 144.98 |
| | 1,584.04 | 461.10 |
| (ii) Sale of material/capital goods | | |
| Subsidiaries/Step-down subsidiary | | |
| Joyce Foam PTY Ltd., Australia | 24.23 | 29.57 |
| International Comfort Technologies Private Limited, India | 5,319.39 | 3,062.56 |
| Interplasp, SL, Spain | 54.95 | 193.71 |
| | 5,398.57 | 3,285.84 |
| Related entities | | |
| Sleepwell Foundation (Trust) | 0.18 | 0.36 |
| | 5,398.75 | 3,286.20 |
| (iii) Sale of IT support services | | |
| Subsidiary | | |
| Joyce Foam PTY Ltd., Australia | 425.78 | 425.68 |
| | 425.78 | 425.68 |
| (iv) Purchase of IT Support Services | | |
| Subsidiary | | |
| Staquo World Private Limited, India | 1,640.25 | 1,320.00 |
| | 1,640.25 | 1,320.00 |
| (v) Rent received | | |
| Subsidiaries | | |
| International Comfort Technologies Private Limited, India | 219.58 | 73.70 |
| Divya Software Solutions Private Limited, India | - | 0.05 |
| Sleepwell Enterprises Private Limited, India | - | 0.05 |
| | 219.58 | 73.80 |
| (vi) Royalty paid | | |
| Subsidiary | | |
| Sleepwell Enterprises Private Limited, India | 10.00 | 10.00 |
| | 10.00 | 10.00 |
| (vii) Investment made | | |
| Subsidiary | | |
| International Comfort Technologies Private Limited, India | | |
| - Equity share capital | - | 10.00 |
| - Optionally Convertible Preference share capital | - | 2,990.00 |
| | - | 3,000.00 |
| (viii) Key management personnel | | |
| Compensation of Key management personnel | | |
| Short-term Employee Benefits | 1,082.72 | 1,107.55 |
| Post Employment Benefits | 14.30 | 13.56 |
| | 1,097.02 | 1,121.11 |
| (ix) Rent paid | | |
| Subsidiaries | | |
| Divya Software Solutions Private Limited, India | 181.50 | 12.00 |
| Sleepwell Enterprises Private Limited, India | 33.48 | 33.21 |
| | 214.98 | 45.21 |
| (x) Contributions for CSR expenses | | |
| Related entities | | |
| Sleepwell Foundation (Trust) | 275.00 | 315.00 |
| | 275.00 | 315.00 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| (xi) Loan to subsidiary companies | | |
| International Comfort Technologies Private Limited, India | 4,200.00 | 10,800.00 |
| | 4,200.00 | 10,800.00 |
| (xii) Repayment of short-term advances/Loans by subsidiary companies | | |
| International Foam Technologies S.L, Spain | - | 125.26 |
| International Comfort Technologies Private Limited, India | 350.00 | 9,600.00 |
| | 350.00 | 9,725.26 |
| (xiii) Interest on loan given to subsidiary companies | | |
| International Comfort Technologies Private Limited, India | 206.30 | 87.15 |
| International Foam Technologies S.L, Spain | 143.93 | 83.27 |
| | 350.23 | 170.42 |
| (xiv) Guarantee Commission received | | |
| Subsidiary | | |
| Joyce Foam PTY Ltd., Australia | 121.90 | 107.17 |
| | 121.90 | 107.17 |
| (xv) Corporate guarantee utilised (net) | | |
| Subsidiaries | | |
| Joyce Foam PTY Ltd., Australia | 1,608.30 | 5,577.39 |
| International Foam Technologies S.L, Spain | (2,121.92) | (1,800.27) |
| International Comfort Technologies Private Limited, India | 5,566.77 | 7,600.00 |
| | 5,053.15 | 11,377.12 |

(C) Disclosure of balances outstanding at the end of the reporting year:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| (i) Subsidiary/step-down subsidiary | | |
| Lease Receivable | | |
| International Comfort Technologies Private Limited, India | 1,524.37 | 1,641.73 |
| | 1,524.37 | 1,641.73 |
| Trade payable | | |
| International Comfort Technologies Private Limited, India | - | 3.22 |
| | - | 3.22 |
| Trade receivable | | |
| International Comfort Technologies Private Limited, India | 3,993.28 | - |
| Joyce Foam PTY Ltd., Australia | 216.56 | 135.73 |
| Interplasp, SL, Spain | - | 63.08 |
| | 4,209.84 | 198.81 |
| Other receivables | | |
| Joyce Foam PTY Ltd., Australia | 68.64 | - |
| International Comfort Technologies Private Limited, India | 20.24 | - |
| | 88.88 | - |
| Contract Liabilities (Advance from Customer) | | |
| Interplasp, S.L, Spain | 1.29 | - |
| | 1.29 | - |
| Investments | | |
| Joyce Foam PTY Ltd., Australia | 2,306.59 | 2,306.59 |
| Divya Software Solutions Private Limited, India | 7,602.00 | 7,602.00 |
| Sleepwell Enterprises Private Limited, India | 109.20 | 109.20 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| International Foam Technologies SL, Spain | 9,638.86 | 9,638.86 |
| Staqa World Private Limited, India | 0.73 | 0.73 |
| International Comfort Technologies Private Limited, India | | |
| - Equity share capital | 10.00 | 10.00 |
| - Convertible Preference share capital | 2,990.00 | 2,990.00 |
| | 22,657.38 | 22,657.38 |
| Loan to subsidiary companies (refer note (a) below) | | |
| International Foam Technologies SL, Spain | 7,168.61 | 6,570.40 |
| International Comfort Technologies Private Limited, India | 5,050.00 | 1,200.00 |
| | 12,218.61 | 7,770.40 |
| Interest accrued on loan given to subsidiary Company | | |
| International Comfort Technologies Private Limited, India | 164.13 | - |
| International Foam Technologies SL, Spain | 239.69 | 83.27 |
| | 403.82 | 83.27 |
| Financial/Corporate guarantees (refer note (b) below) | | |
| Joyce Foam PTY Ltd., Australia | 9,858.25 | 8,249.95 |
| International Foam Technologies SL, Spain | 11,328.98 | 13,450.90 |
| International Comfort Technologies Private Limited, India | 13,166.77 | 7,600.00 |
| | 34,354.00 | 29,300.85 |
| Post employee benefit plan for the benefitted employees | | |
| SFL Employee Gratuity Trust | 439.04 | 603.04 |
| Payable to key managerial personnel | 680.42 | 748.02 |

Notes:

- a. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end for trade payables/receivables are unsecured and interest free and loan balances carry interest, further settlements occurs in cash. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- b. Details of financial/Corporate guarantees given are as below:
 - i. Company has given a Corporate guarantee of AUD 20 million on April 09, 2021 and an additional guarantee on December 20, 2022 of AUD 5 Million towards term loan granted by Citi Bank, Australia for its subsidiary Company Joyce Foam PTY Ltd., Australia.
 - ii. Company has given financial guarantee of EURO 20 million on September 25, 2019 towards term loan granted by Citi Bank, Spain for its subsidiary Company International Foam Technologies SL, Spain.
 - iii. Company has given Corporate guarantee of ₹ 7,000 Lakhs each on January 18, 2022 and January 19, 2022 towards term loan granted by Kotak Mahindra bank and JP Morgan Chase Bank N.A., India respectively for its subsidiary Company International Comfort Technologies Private Limited, India.

NOTE 46 : DISCLOSURES AS PER IND AS 116 'LEASES'

(A) Company as lessee

- (i) The Company's significant leasing arrangements are in respect of the following assets:

The Company has leases of land and buildings for offices, warehouses and service centres. Right of Use Assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The lease terms for leasehold buildings ranges between 3 years to 10 years.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(ii) The carrying amounts of lease liabilities and the movements during the year:

| Particulars | (₹ in Lakhs) | |
|--------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Opening Liabilities | 1,939.84 | 199.19 |
| Additions | 40.54 | 1,823.14 |
| Accretion of interest | 91.73 | 112.83 |
| Repayment of Lease liabilities | (260.91) | (195.32) |
| Cancellation/adjustments | (195.95) | - |
| Closing liabilities | 1,615.25 | 1,939.84 |
| Current | 127.06 | 113.12 |
| Non current | 1,488.19 | 1,826.72 |
| | 1,615.25 | 1,939.84 |

(iii) Maturity analysis of the lease liabilities:

| Contractual undiscounted cash flows | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| 3 months or less | 60.72 | 78.92 |
| 3-12 months | 181.31 | 241.74 |
| 1-2 years | 246.28 | 336.66 |
| 2-5 years | 807.38 | 778.35 |
| More than 5 years | 1,782.96 | 1,564.31 |
| Total undiscounted lease liability | 3,078.65 | 2,999.98 |
| Less: Impact of discounting and other adjustments | 1,463.40 | 1,060.14 |
| Lease liabilities | 1,615.25 | 1,939.84 |

(iv) The following are the amounts recognised in the Statement of Profit and Loss:

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Finance cost | 91.73 | 112.83 |
| Depreciation and amortisation expense | 61.00 | 91.52 |
| Expenses relating to short term leases | 388.75 | 151.30 |

(v) The following are the amounts disclosed in the Statement of Cash Flows:

| Particulars | (₹ in Lakhs) | |
|--------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Cash outflow from leases | 260.91 | 195.32 |

(vi) There are no variable lease payments considered in the initial measurement of the lease liability and asset.

(vii) Extension and termination options held are exercisable based on mutual agreement of the Company and the lessors.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(B) Company as lessor

- (i) The Company has entered into lease agreements to lease the following properties which have been treated as "Investment Property".

| | |
|--|--|
| Land & Factory Building situated at Sikkim | The lease agreement was executed w.e.f. 1st December, 2016. The said lease is for a term of 10 years with a clause to enable upward revision of the rental charge after every 3 years. The total rent recognized as income during the year is ₹ 160.60 Lakhs (March 31, 2022: ₹ 158.40 Lakhs). |
| Residential Flat situated at Greater Noida | The lease agreement was executed w.e.f. 15th September, 2018. The said lease was initially for a term of 11 months with a clause of subsequent renewal by mutual consent and the same being ongoing renewed. The total rent recognized as income during the year is ₹ 8.52 Lakhs (March 31, 2022: ₹ 7.20 Lakhs). |
| Land & Factory Building situated at Silvassa | The lease agreement was executed w.e.f. 31st August, 2020. The said lease is for an initial period of 3 years with a clause of automatically renewal for year-on-year basis until receive termination from party. Lease rent will be increased by 5% if both parties agreed on year-on-year basis. The total rent recognized as income during the year is ₹ 47.51 Lakhs (March 31, 2022: ₹ 49.13 Lakhs). |

- (ii) Company has entered agreement to lease its property at Nandigram to its subsidiary Company for a term of 9 years in Financial year ended March 31, 2022.

- (iii) The carrying amounts of lease receivables and the movements during the year:

| Particulars | (₹ in Lakhs) | |
|------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Opening balance | 1,641.73 | - |
| Additions | - | 1,659.31 |
| Accretion of interest | 89.08 | 54.42 |
| Received | (206.44) | (72.00) |
| Closing balance | 1,524.37 | 1,641.73 |
| Current | 129.72 | 107.88 |
| Non current | 1,394.65 | 1,533.85 |
| | 1,524.37 | 1,641.73 |

- (iv) Maturity analysis of the lease receivable:

| Contractual undiscounted cash flows | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| 3 months or less | 52.87 | 51.83 |
| 3-12 months | 163.90 | 160.68 |
| 1-2 years | 227.60 | 223.14 |
| 2-5 years | 753.40 | 738.63 |
| More than 5 years | 715.94 | 1,008.21 |
| Total undiscounted lease asset | 1,913.71 | 2,182.49 |
| Add: Impact of interest accruals | (389.34) | (540.76) |
| Lease receivable as at March 31, 2023 | 1,524.37 | 1,641.73 |

- (v) The following are the amounts recognised in the Statement of Profit and Loss:

| Particulars | (₹ in Lakhs) | |
|-----------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Interest income | 89.08 | 54.42 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(vi) The following are the amounts disclosed in the Statement of Cash Flows:

| Particulars | (₹ in Lakhs) | |
|-------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Cash inflow from leases | 206.44 | 72.00 |

NOTE 47 : FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The Company has disclosed financial instruments such as loans, investment in preference shares, trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

NOTE 48 : FAIR VALUE HIERARCHY

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1** - The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.
- **Level 2** - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- **Level 3** - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in preference shares, other investments, loans receivables and lease receivables included in level 3.

Valuation Processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO) including Board of Directors. Discussions of valuation processes and results are held between the CFO and the valuation team every month. The Company takes the help of independent valuers for valuation purposes.

Fair Valuation Technique

The carrying amounts of trade receivables, trade payables, creditors towards capital goods, cash and cash equivalents, investment in pref. share, other investment and other bank balances are considered to be the same as their fair values, due to their short-term nature.

The fair values of financial assets and liabilities consisting of loans receivable, lease receivable, lease liabilities, security deposits receivable and security deposit payable were calculated based on cash flows discounted using estimated borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2023:

Fair Value measurement hierarchy of Assets:

(₹ in Lakhs)

| Particulars | Date of Valuation | Fair value measurement using | | | |
|---|-------------------|------------------------------|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial Assets measured at fair value through profit and loss | | | | | |
| Other Investments | March 31, 2023 | 76,288.54 | 70,647.60 | 5,640.94 | - |
| Financial Assets measured at fair value through other comprehensive income | | | | | |
| Other Investments | March 31, 2023 | - | - | - | - |
| Financial Assets measured at amortized cost | | | | | |
| Investment in preference shares | March 31, 2023 | 2,990.00 | - | - | 2,990.00 |
| Other Investments | March 31, 2023 | 0.35 | - | - | 0.35 |
| Loans | March 31, 2023 | 12,288.21 | - | - | 12,288.21 |
| Trade receivables | March 31, 2023 | 16,400.40 | - | - | 16,400.40 |
| Cash and cash equivalents | March 31, 2023 | 1,042.61 | - | - | 1,042.61 |
| Bank balances other than cash and cash equivalents | March 31, 2023 | 26.65 | - | - | 26.65 |
| Other financial assets | March 31, 2023 | 2,338.07 | - | - | 2,338.07 |

(₹ in Lakhs)

| Assets for which Fair Values are disclosed: | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Investment Property | 2,884.95 | 2,591.31 |

Fair Value measurement hierarchy of Liabilities:

(₹ in Lakhs)

| Particulars | Date of Valuation | Fair value measurement using | | | |
|---|-------------------|------------------------------|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial liabilities measured at amortized cost | | | | | |
| Lease liabilities | March 31, 2023 | 1,615.25 | - | - | 1,615.25 |
| Trade payables | March 31, 2023 | 18,276.90 | - | - | 18,276.90 |
| Other financial liabilities | March 31, 2023 | 11,175.56 | - | - | 11,175.56 |

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2022:

Fair Value measurement hierarchy of Assets:

(₹ in Lakhs)

| Particulars | Date of Valuation | Fair value measurement using | | | |
|---|-------------------|------------------------------|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial Assets measured at fair value through profit and loss | | | | | |
| Other Investments | March 31, 2022 | 13,405.25 | 8,398.45 | 5,006.80 | - |
| Financial Assets measured at fair value through other comprehensive income | | | | | |
| Other Investments | March 31, 2022 | 47,876.02 | - | 47,876.02 | - |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars | Date of Valuation | Fair value measurement using | | | |
|--|-------------------|------------------------------|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial Assets measured at amortized cost | | | | | |
| Investment in preference shares | March 31, 2022 | 2,990.00 | - | - | 2,990.00 |
| Other Investments | March 31, 2022 | 0.35 | - | - | 0.35 |
| Loans | March 31, 2022 | 8,333.07 | - | - | 8,333.07 |
| Trade receivables | March 31, 2022 | 13,601.78 | - | - | 13,601.78 |
| Cash and cash equivalents | March 31, 2022 | 1,431.36 | - | - | 1,431.36 |
| Bank balances other than cash and cash equivalents | March 31, 2022 | 31.58 | - | - | 31.58 |
| Other financial assets | March 31, 2022 | 4,724.86 | - | - | 4,724.86 |

Fair Value measurement hierarchy of Liabilities:

(₹ in Lakhs)

| Particulars | Date of Valuation | Fair value measurement using | | | |
|---|-------------------|------------------------------|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial liabilities measured at amortized cost | | | | | |
| Lease liabilities | March 31, 2022 | 1,939.84 | - | - | 1,939.84 |
| Trade payables | March 31, 2022 | 19,386.03 | - | - | 19,386.03 |
| Other financial liabilities | March 31, 2022 | 9,164.96 | - | - | 9,164.96 |

NOTE 49 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, comprise of deposits from dealers, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. Further, the Company has financial risk / exposure of financial guarantees given to the banks towards security against the loans taken by its subsidiaries, however, considering that there is no expected credit losses, there is no financial liability as at the year end on this account. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include deposits from dealers, investments and foreign currency receivables and payables.

The sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

The analysis exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations, provisions and the non-financial assets and liabilities.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2023 and March 31, 2022.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. The Company is exposed to foreign currencies such as "USD", "AED", "AUD", "GBP" and "EURO".

The carrying amount of the foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

| (₹ in Lakhs) | | | |
|---------------------------------|----------|-------------------------|-------------------------|
| Particulars | Currency | As at March 31, 2023 | As at March 31, 2022 |
| Trade payables | USD | (2,358.02) | (1,961.53) |
| | EURO | (32.36) | (47.79) |
| | GBP | (20.00) | (19.28) |
| | AUD | (0.15) | (0.16) |
| Trade receivables | USD | 204.06 | 178.82 |
| | AUD | 285.35 | 135.89 |
| | AED | 166.55 | - |
| | EURO | - | 59.39 |
| Interest Accrued | EURO | 239.69 | 83.27 |
| Loan to Subsidiary Company | EURO | 7,168.61 | 6,570.40 |
| Bank balance | USD | - | 1.36 |
| | AED | - | 0.11 |
| Net Assets/(Liabilities) | | 5,653.73 | 5,000.48 |

Foreign currency sensitivity analysis

The Company is mainly exposed to USD, EURO, GBP, AED and AUD. The following table demonstrate the sensitivity to a reasonably possible change in respective exchange rates, with all other variables held constant.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for sensitivity change in foreign currency rates. A positive number below indicates an increase in profit or equity and vice-versa.

Foreign currency sensitivity

| (₹ in Lakhs) | | | | |
|--------------|-----|-------------------------|-----|-------------------------|
| Currency | % | As at March 31, 2023 | % | As at March 31, 2022 |
| USD | 2% | (43.08) | 2% | (35.63) |
| USD | -2% | 43.08 | -2% | 35.63 |
| EURO | 3% | 221.28 | 3% | 199.96 |
| EURO | -3% | (221.28) | -3% | (199.96) |
| GBP | 2% | (0.40) | 2% | (0.39) |
| GBP | -2% | 0.40 | -2% | 0.39 |
| AUD | 4% | 11.41 | 4% | 5.43 |
| AUD | -4% | (11.41) | -4% | (5.43) |
| AED | 2% | 3.33 | 2% | 0.00 |
| AED | -2% | (3.33) | -2% | (0.00) |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(ii) Interest risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises mainly of interest-bearing deposits with dealers, however, these are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

(iii) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of bedding articles, home comfort products, furniture cushioning and specialized foam and therefore require a continuous supply of raw materials i.e. TDI and Polyol being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the TDI and Polyol, the Company has entered into various purchase contracts for these material for which there is an active market. The Company's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for the purchase of these material and further the Company increases prices of its products as and when appropriate to minimize the impact of increase in raw material prices.

b) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

(i) Trade receivables

Customer credit risk is managed by the Company through its established policies and procedures which involve setting up credit limits based on credit profiling of individual customers, credit approvals for enhancement of limits and regular monitoring of important developments viz. payment history, change in credit limits, regulatory changes, industry outlook etc. Outstanding receivables are regularly monitored and an impairment analysis is performed at each reporting date on an individual basis for each major customer. In accordance with Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or reversal thereof. Concentration of credit risk with respect to trade receivables are limited, due to Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on monthly basis.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits, bonds, debentures and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2023 and March 31, 2022 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

| Particulars | (₹ in Lakhs) | |
|------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Non-current assets | | |
| Other Investments | 5,641.29 | 52,883.17 |
| Loans | 12,229.14 | 7,778.00 |
| Other non-current financial assets | 1,698.07 | 1,907.09 |
| Current assets | | |
| Other Investments | 70,647.60 | 8,398.45 |
| Trade receivables | 16,400.40 | 13,601.78 |
| Cash and cash equivalents | 1,042.61 | 1,431.36 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Bank balances other than cash and cash equivalents | 26.65 | 31.58 |
| Loans | 59.07 | 555.07 |
| Other current financial asset | 640.00 | 2,817.77 |
| Total | 108,384.83 | 89,404.27 |

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short-term bank deposits and short term investments. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be very low.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

| Particulars | (₹ in Lakhs) | | |
|-----------------------------|------------------|------------------|------------------|
| | Less than 1 Year | More than 1 Year | Total |
| As at March 31, 2023 | | | |
| Trade payables | 18,257.88 | 19.02 | 18,276.90 |
| Other financial liabilities | 8,627.40 | 2,548.16 | 11,175.56 |
| Lease Liabilities | 127.06 | 1,488.19 | 1,615.25 |
| | 27,012.34 | 4,055.37 | 31,067.71 |
| As at March 31, 2022 | | | |
| Trade payables | 19,381.86 | 4.17 | 19,386.03 |
| Other financial liabilities | 4,130.88 | 5,034.08 | 9,164.96 |
| Lease Liabilities | 113.12 | 1,826.72 | 1,939.84 |
| | 23,625.86 | 6,864.97 | 30,490.83 |

NOTE 50: CAPITAL MANAGEMENT

The Company's objective in managing its capital is to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The Company considers the following components of its Balance Sheet to be managed capital: 1) Share Capital and 2) Other Reserves comprising of General Reserve and Retained Earnings. The Company's capital structure is based on the Management's assessment of the balances of key elements to ensure strategic decisions and day to day activities.

| Particulars | (₹ in Lakhs, unless otherwise stated) | |
|---|---------------------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Equity | 4,878.28 | 2,439.14 |
| Other Equity | 1,34,701.83 | 1,18,513.31 |
| Total equity (i) | 1,39,580.11 | 1,20,952.45 |
| Borrowings (including lease liabilities) | 1,615.25 | 1,939.84 |
| Less: cash and cash equivalents | 1,042.61 | 1,431.36 |
| Total debt (ii) | 572.64 | 508.48 |
| Overall financing (iii) = (i) + (ii) | 1,40,152.75 | 1,21,460.93 |
| Gearing ratio (in %) (ii) / (iii) | 0.41% | 0.42% |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. The capital structure of the Company is managed with a view of the overall macro economic conditions and the risk characteristics of the underlying assets. The Company's policy is to maintain a strong capital structure with a focus to mitigate all existing and potential risks to the Company, maintain shareholder, vendor and market confidence and sustain continuous growth and development of the Company. The Company's focus is on keeping a strong total equity base to ensure independence, security, as well as high financial flexibility without impacting the risk profile of the Company. In order, to maintain or adjust the capital structure, the Company will take appropriate steps as may be necessary.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

NOTE 51 : COMMITMENTS FOR EXPENDITURE

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of ₹ 137.83 Lakhs (March 31,2022: ₹ 181.20 Lakhs)) | 67.52 | 379.12 |
| Other Commitment (Corporate Guarantee given to banks and financial institution against credit facilities availed by Subsidiary Companies, Entities under common control and others) (refer note no. 45) | 34,354.00 | 29,300.85 |
| Total | 34,421.52 | 29,679.97 |

NOTE 52 : CONTINGENT LIABILITIES

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Claims against the Company not acknowledged as debt (refer note below) | | |
| Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards | | |
| Sales tax | 439.99 | 480.99 |
| Entry tax | 194.11 | 194.11 |
| Income tax | 564.99 | 439.12 |
| Excise Duty | 410.57 | 410.57 |

Note:

The Company is contesting these demands and the management including its advisers are of the view that these demands may not be sustainable at the appellate level. The management believes that the ultimate outcome of these proceedings will not have any material adverse effect on the Company's financial position and results of operations. The Company does not expect any reimbursement in respect of these contingent liabilities, and it is not practicable to estimate the timing of cash outflows, if any, in respect of these matters, pending resolution of the appellant proceedings.

Notes to Standalone Financial Statements

for the year ended 31st March, 2023

NOTE 53 : DISCLOSURE REQUIRED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013.

| Name of the Investee | Nature of Transaction | Purpose for which it is utilized, interest rate and tenure | 2022-23 | | 2021-22 | |
|--|---|---|-----------------|---------------------|-----------------|---------------------|
| | | | During the Year | Outstanding Balance | During the Year | Outstanding Balance |
| Wholly Owned Subsidiaries | | | | | | |
| Joyce Foam Private Limited, Australia, | Investment in equity shares | Manufacturing of technical foam supplied to Business to Business customers (mattress and furniture manufacturers) in Australia. | - | 2,306.59 | - | 2,306.59 |
| Divya Software Solutions Private Limited, India | Financial Guarantee given | Corporate guarantee given to Citi bank for security towards long term working capital facility availed by the said Subsidiary. | 1,608.30 | 9,858.25 | - | 8,249.95 |
| Sleepwell Enterprises Private Limited, India | Investment in equity shares | Engaged in Software development and related ancillary activities | - | 7,602.00 | - | 7,602.00 |
| | Investment in equity shares | The Company, which is holding ownership of Sleepwell and other brands related to foam, mattress & other products. | - | 109.20 | - | 109.20 |
| | Investment in equity shares | To invest in a running Company in Spain, engaged in manufacturing of Polyurethane Foam. | - | 9,638.86 | - | 9,638.86 |
| | Financial Guarantee | Corporate guarantee given to citi bank for security towards long term availed by the said Subsidiary. | (2,121.92) | 11,328.98 | - | 13,450.90 |
| International Foam Technologies S.L., Spain | Loans | Manufacturer of technical foam supplied to Business to Business customers (mattress and furniture manufacturers) Interest charged - 1.25 % to 3.34% (1.25% in March 31, 2022) Tenure of Loan - To be repaid over the next 2 years after the repayment of Citi bank loan by them (citi bank loan to be repaid by Company with in 6 years from the date of disbursement) | 598.21 | 7,168.61 | - | 6,570.40 |
| Staquo World Private Limited, India | Investment in equity shares | To carry on business of Information technology and related ancillary services. | - | 0.73 | - | 0.73 |
| | Investment in equity shares | Manufacturer of technical foam supplied to Business to Business customers (mattress and furniture manufacturers) | - | 10.00 | 10.00 | 10.00 |
| | Investment in 5% optionally convertible preference shares | Interest charged - 6.17 % to 8.17% (5.07% in March 31, 2022) Tenure of Loan - to be repaid after the cessation of Citi bank loan | - | 2,990.00 | 2,990.00 | 2,990.00 |
| International comfort Technologies Private Limited (w.e.f. 01-10-2021) | Loan | | 3,850.00 | 5,050.00 | 1,200.00 | 1,200.00 |
| | Corporate Guarantee | Corporate guarantee given to Kotak Mahindra bank and JPMorgan Chase Bank, N.A., India for security towards long term loan facility availed by the said Subsidiary. | 5,566.77 | 13,166.77 | 7,600.00 | 7,600.00 |

For above investment in equity and preference share, refer note no. 6.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 54 : SEGMENT INFORMATION

Operating segment information

The Company is engaged in the manufacturing of the products of same type/class and has no overseas operations/units and as such there is no reportable segment as per Indian Accounting Standard (Ind AS-108) dealing with the operating segments. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors of the Company.

Geographical information

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Revenue from external customers | | |
| Within India | 2,00,301.09 | 1,95,809.95 |
| Outside India | 1,680.47 | 5,011.04 |
| Total revenue | 2,01,981.56 | 2,00,820.99 |

The revenue information is based on location of customers.

Non-current operating assets

The Company has common non-current operating assets for domestic as well as overseas market. Hence, separate figures for these assets are not required to be furnished.

NOTE 55 : TRANSFER PRICING

The Company has appointed an independent consultant for conducting a Transfer Pricing Study to determine whether the transactions with associate enterprises undertaken during the financial year are on an "arm's length basis". The Transfer Pricing study under the Income Tax Act, 1961 in respect of transaction with the group companies for the financial year ended March 31, 2023 is not yet complete. Adjustments, if any, arising from Transfer Pricing study shall be accounted for as and when the study is completed. The management confirms that all international transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms. During the current year, the Transfer Pricing certificate under section 92E of Income Tax Act, 1961 for the year ended March 31, 2022 has been obtained and there are no adverse comments requiring adjustments.

NOTE 56 : EXPOSURE TOWARDS MICRO, SMALL AND MEDIUM ENTERPRISES

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| I The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company are as under: | | |
| (i) The principal amount and the interest due thereon remaining unpaid to any supplier | | |
| Principal amount: | 630.91 | 444.61 |
| Interest: | - | - |
| (ii) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ended | - | - |
| (iii) The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year) | - | - |
| (iv) The amount of interest accrued and remaining unpaid for the year ended | - | - |
| (v) The amount of further interest remaining due and payable for the earlier years | - | - |

The Information has been given in respect of such suppliers to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company. Further, the amount payable to these parties is not overdue hence no interest is required to be provided/accrued as at March 31, 2023 and March 31, 2022.

II The credit period for purchase of goods and services are normally up to 30 days. No interest is chargeable on trade payables.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 57 : CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

As per provisions of Section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects as per the Schedule VII of the Companies Act, 2013.

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| a) Gross amount required to be spent as per section 135 of the Act | 476.02 | 409.07 |
| Add: Amount Unspent from previous years | - | - |
| Total Gross amount required to be spent during the year | 476.02 | 409.07 |
| b) Amount approved by the Board to be spent during the year | 523.02 | 457.53 |
| c) Amount spent during the year on | | |
| (i) Construction/acquisition of an asset | - | - |
| (ii) On purposes other than (i) above | 523.02 | 457.53 |
| d) Details related to amount spent | | |
| Contribution to Sleepwell Foundation Trust | 275.00 | 315.00 |
| Spent on Health Support , Promoting education including employment enhancing vocational skills | 248.02 | 142.53 |
| | 523.02 | 457.53 |
| e) Details of CSR expenditure in respect of other than ongoing projects | | |
| Balance (Short)/Excess as at opening | - | - |
| Amount deposited in Specified Fund of Schedule VII of the Act within 6 months | - | - |
| Amount required to be spent during the year | 476.02 | 457.53 |
| Amount spent during the year | 523.02 | 457.53 |
| Balance (Short) / Excess Spent at end of the year | 47.00 | - |

Note:

Corporate social responsibility expenses of Company are managed by related party - Sleepwell foundation (refer note no. 45).

NOTE 58 : DERIVATIVES AND HEDGING

(i) Classification of derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are accounted for at fair value through profit or loss. Information about the derivatives used by the Company and outstanding as at the end of the financial year is provided below:

(₹ in Lakhs)

| Particulars | Financial Assets | | Financial liabilities | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 |
| Derivatives designated as Hedging Instruments: | | | | |
| Cross currency interest rate swap | - | - | 945.98 | - |
| Derivatives not designated as Hedging Instruments: | | | | |
| Principal only swap | - | - | 1,322.29 | - |

(ii) Hedging activities

Foreign Currency Risk

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Derivatives designated as hedging instruments are accounted for as cash flow hedges.

(iii) Hedge Effectiveness

For derivatives designated as hedging instruments, there is an economic relationship between the hedged items and the hedging instruments as the terms of the hedge contracts match the terms of hedge items. The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and interest rate are identical to the hedged risk components. To test the hedge effectiveness, the Company compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

(iv) Source of Hedge ineffectiveness

For derivatives designated as hedging instruments, in case of foreign currency risk and interest rate risk, the main source of hedge ineffectiveness is the effect of the counterparty's credit risk on the fair value of hedge contracts, which is not reflected in the fair value of the hedged items. The effect of this is not expected to be material.

(v) Disclosures of effects of Cash Flow Hedge Accounting:

Hedging instruments

The Company has taken derivatives to hedge its loan given to its related party.

| Particulars | (₹ in Lakhs) | | |
|--|------------------|-------------|-------------------|
| | Less than 1 year | 1 to 5 year | More than 5 Years |
| Cross currency interest rate swap | | | |
| As at March 31, 2023 | | | |
| Nominal Amount | - | - | 6,416.80 |
| As at March 31, 2022 | | | |
| Nominal Amount | - | - | - |

(vi) The effect of the cash flow hedge in the Statement of Profit and Loss and Other Comprehensive Income is as follows:

| Particulars | (₹ in Lakhs) | |
|--|--|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Cash flow Hedge Reserve at the beginning of the year | - | - |
| Total hedging (loss) recognised in other comprehensive income | (347.78) | - |
| Income tax on above | 87.53 | - |
| Ineffectiveness recognised in profit or loss | (1,322.29) | - |
| Line item in the statement of profit and loss that includes the recognised ineffectiveness | Net Loss on Foreign Currency Forward Contracts in "Other expenses" | - |
| Amount reclassified from Other comprehensive Income to profit or loss | - | - |
| Income tax on above | - | - |
| Cash flow Hedge Reserve at the end of the year | (260.25) | - |
| Line item in the statement of profit and loss that includes the reclassification adjustments | Not Applicable | - |

(vii) The outstanding position of derivative instrument is as under:

| Nature | Currency | Purpose | As at March 31, 2023 | | As at March 31, 2022 | |
|-----------------------------------|----------|--|----------------------------|------------------------------|----------------------------|------------------------------|
| | | | Nominal value (₹ in Lakhs) | Notional value (FC in Lakhs) | Nominal value (₹ in Lakhs) | Notional value (FC in Lakhs) |
| Cross currency interest rate swap | EURO | Hedging of Foreign Currency Loans Principal & Interest | 6,416.80 | 80.00 | - | - |
| Principal Only Swap | EURO | Hedging of equity investment in foreign subsidiary | 9,390.00 | 120.00 | - | - |
| Total | | | 15,806.80 | 200.00 | | |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Exchange rates used for conversion of foreign currency exposure:

| Currency | As at March 31, 2023 | As at March 31, 2022 |
|----------|-------------------------|-------------------------|
| EURO | 89.61 | 82.13 |

(viii) The impact of the hedging instruments on the statement of financial position is as under:

| Particulars | (₹ in Lakhs) | |
|--|--|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Nominal Amount | 6,416.80 | - |
| Carrying Amount (net) | 7,168.61 | - |
| Line item in the statement of financial position that includes Hedging Instruments | Other current financial liabilities | - |
| Change in fair value of the hedge item used as the basis for recognising hedge ineffectiveness for the year - gain/(loss) (net of tax) | (260.25) | - |

(ix) Hedge Items

The impact of the Hedged Items on the statement of financial position is as follows:

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Balance in Cash flow hedge reserve as at the end of the year for continuing hedges (net of tax) | (260.25) | - |
| Change in value of the hedged item used for measuring ineffectiveness for the year (net of tax) | (260.25) | - |

(x) Particulars of unhedged foreign currency exposure as at balance sheet date:

| Particulars | Currency | As at March 31, 2023 | | As at March 31, 2022 | |
|----------------------------|----------|----------------------|------------|----------------------|------------|
| | | FC in Lakhs | ₹ in Lakhs | FC in Lakhs | ₹ in Lakhs |
| Trade payables | USD | (28.68) | (2,358.02) | (25.34) | (1,961.53) |
| | EURO | (0.36) | (32.36) | (0.55) | (47.79) |
| | GBP | (0.20) | (20.00) | (0.19) | (19.28) |
| | AUD | (0.00) | (0.15) | (0.00) | (0.16) |
| Trade receivables | USD | 2.48 | 204.06 | 2.42 | 178.82 |
| | AUD | 5.19 | 285.35 | 2.47 | 135.89 |
| | AED | 7.45 | 166.55 | - | - |
| | EURO | - | - | 0.72 | 59.39 |
| Interest Accrued | EURO | 2.67 | 239.69 | 1.00 | 83.27 |
| Loan to Subsidiary Company | EURO | - | - | 80.00 | 6,570.40 |
| Bank balance | AED | - | - | 0.01 | 0.11 |
| | USD | - | - | 0.02 | 1.36 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 59 : INCOME TAX EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS

| Particulars | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Current tax | | |
| In respect of current year | 6,815.87 | 7,054.57 |
| Tax expenses related to earlier years | (70.49) | (22.27) |
| | 6,745.38 | 7,032.30 |
| Deferred tax | | |
| Origination and reversal of temporary differences including tax impact on other comprehensive income | (293.43) | (346.52) |
| | (293.43) | (346.52) |
| Total income tax expense recognised in the current year including tax impact on other comprehensive income | 6,451.95 | 6,685.78 |

The income tax expense for the year can be reconciled to the accounting profit as follows:

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Profit before tax (including Other comprehensive income) | 25,553.97 | 26,300.90 |
| Income tax expense calculated at 25.168% | 6,431.42 | 6,619.41 |
| Effect of income that is exempt from taxation | (15.89) | - |
| Effect of expenses that are not deductible in determining taxable profit | 405.65 | 115.15 |
| Effect of difference in tax rates | (101.52) | (39.25) |
| Others | (197.22) | 12.74 |
| | 6,522.44 | 6,708.05 |
| Adjustments recognised in the current year in relation to tax of prior years | (70.49) | (22.27) |
| Income tax expense recognised in the Statement of Profit and Loss | 6,451.95 | 6,685.78 |
| Effective Tax Rate | 25.25% | 25.42% |

NOTE 60 : THE CODE ON SOCIAL SECURITY 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Notes to Standalone Financial Statements

for the year ended 31st March, 2023

NOTE 61 : DISCLOSURE FOR SPECIFIC RATIOS

| Particulars | Formula | Particulars | | For the year ended March 31, 2023 | For the year ended March 31, 2022 | Variance | Reasons for variances |
|----------------------------------|---|---|---|-----------------------------------|-----------------------------------|----------|--|
| | | Numerator | Denominator | | | | |
| Current Ratio | Current Assets / Current Liabilities | Current Assets= Inventories+Financial assets+ Other current assets | Current Liabilities= Financial Liabilities+Short Term Provisions+ Current Tax Liabilities+Other current liabilities | 3.11 | 1.54 | -102% | Substantial increase in current investment as compared to previous year |
| Debt equity Ratio | Debt / Equity | Debts = Lease liabilities | Equity = Equity share capital + Other Equity | 0.01 | 0.02 | 28% | Increase in other equity |
| Trade payable turnover Ratio | Net Credit Purchases / Average Trade Payables | Net credit purchases =Purchase of raw material and packing material +Purchase of traded goods +Other manufacturing expenses | Average Trade Payables (refer note no. 28) | 7.16 | 6.52 | -10% | |
| Net capital turnover Ratio | Revenue / Working Capital | Revenue =Revenue from operations | Working Capital= Current assets -Current Liabilities | 2.67 | 11.67 | 77% | There is reduction in Capital turnover ratio due to increase in working capital on account of increase in current investment |
| Debt Service coverage ratio | Net Operating Income / Debt Service | Net Operating Income = Profit before tax for the year + Finance costs + Depreciation and amortisation expense | Debt service=Finance costs + Lease payments | 37.30 | 38.32 | 3% | |
| Net Profit Ratio | Net Profit / Net Sales | Net Profit = Profit for the year | Net Sales =Revenue from operations | 0.10 | 0.10 | 2% | |
| Return on Equity Ratio | Profit after tax / Shareholder's Equity | Total comprehensive income for the year | Shareholders Equity=Total Equity | 0.14 | 0.16 | 16% | |
| Return on capital employed | EBIT / Capital Employed | EBIT= Profit before tax + Finance costs | Capital Employed = Total assets -current liabilities | 0.18 | 0.21 | 12% | |
| Inventory turnover Ratio | Cost of Goods Sold / Average Inventory | Cost of goods sold =Cost of material consumed +Purchase of traded goods +Other manufacturing expenses +Changes in inventories of finished goods , traded goods & work in progress | Average Inventory | 6.70 | 6.32 | -6% | |
| Return on investment | Net Profit / Net Investment | Net Profit= Profit before tax + Finance costs | Net Investment = Total Equity | 0.19 | 0.22 | 15% | |
| Trade receivables turnover ratio | Net Credit Sales / Average Trade Receivables | Net Credit sales =Revenue from operations | Average Trade Receivables | 13.46 | 13.43 | 0% | |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 62 : UTILISATION OF BORROWED FUNDS

- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 63 : EVENTS AFTER THE REPORTING PERIOD

There are no significant adjusting events after the reporting period.

NOTE 64 : DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

NOTE 65 : UNDISCLOSED INCOME

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

NOTE 66: DETAILS OF BENAMI PROPERTY HELD

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

NOTE 67: RELATIONSHIP WITH STRUCK OFF COMPANIES UNDER SECTION 248 OF THE COMPANIES ACT, 2013 OR SECTION 560 OF COMPANIES ACT, 1956

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

NOTE 68: RECONCILIATION OF QUARTERLY RETURNS OR STATEMENTS OF CURRENT ASSETS FILED WITH BANKS OR FINANCIAL INSTITUTIONS

As at March 31, 2023

| Quarter | Name of bank | Particulars of Securities Provided | Amount as per books of account (₹ in Lakhs) | Amount as reported in the quarterly statement (₹ in Lakhs) | Amount of difference | Reason for material discrepancies |
|---------|---|--|--|---|----------------------|-----------------------------------|
| Jun-22 | CITI BANK, KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 28,747.00 | 28,747.00 | - | |
| Sep-22 | CITI BANK, KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 31,359.00 | 31,359.00 | - | |
| Dec-22 | CITI BANK, KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 24,490.00 | 24,490.00 | - | |
| Mar-23 | CITI BANK, KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 29,274.00 | 29,274.00 | - | |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

As at March 31, 2022

| Quarter | Name of bank | Particulars of Securities Provided | Amount as per books of account (₹ in Lakhs) | Amount as reported in the quarterly statement (₹ in Lakhs) | Amount of difference | Reason for material discrepancies |
|---------|---|--|---|--|----------------------|-----------------------------------|
| Jun-21 | CITI BANK, KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 23,930.09 | 23,930.09 | - | |
| Sep-21 | CITI BANK, KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 29,075.37 | 29,075.37 | - | |
| Dec-21 | CITI BANK, KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 27,449.27 | 27,449.27 | - | |
| Mar-22 | CITI BANK, KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 26,924.84 | 26,924.84 | - | |

NOTE 69: THE FOLLOWING DISCLOSURES SHALL BE MADE WHERE LOANS OR ADVANCES IN THE NATURE OF LOANS ARE GRANTED TO PROMOTERS, DIRECTORS, KMPs AND THE RELATED PARTIES (AS DEFINED UNDER COMPANIES ACT, 2013), EITHER SEVERALLY OR JOINTLY WITH ANY OTHER PERSON, THAT ARE:

| Type of Borrower | Particulars | | | March 31, 2023 | | March 31, 2022 | |
|--|--|--------------------------------|---|---------------------------------|------------|---------------------------------|------------|
| | Loans/Advances granted Individually or Jointly with other (₹ In Lakhs) | Repayable on demand (Yes / No) | Terms/Period of repayment is specified (Yes / No) | Amount outstanding (₹ In Lakhs) | % of Total | Amount outstanding (₹ In Lakhs) | % of Total |
| Related Parties (Subsidiary Companies) | 3,850.00 | Yes | Yes | 5,050.00 | 41.10% | 1,200.00 | 14.40% |
| | 598.21 | No | Yes | 7,168.61 | 58.34% | 6,570.40 | 78.85% |

NOTE 70: REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

| A brief description of the charges or satisfaction | The location of the Registrar | The period (in days or months) by which such charge had to be registered as on March 31, 2023 | The period (in days or months) by which such charge had to be registered as on March 31, 2022 | Reason for delay in registration |
|---|-------------------------------|---|---|--|
| The floating charge is created on current assets including book debt & on Immovable property or any interest therein. | ROC-DELHI | 30 days from the certified copy of hypothecation deed execute between bank & Company | 30 days from the certified copy of hypothecation deed execute between bank & Company. | There is no delay in registration of Charge. |

NOTE 71 : COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 72:

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

NOTE 73: SCHEME OF AMALGAMATION WITH WOS OF THE COMPANY

The Scheme of Amalgamation of the wholly owned subsidiary of the Company, i.e., International Comfort Technologies Private Limited ("ICTPL" or "Transferor Company") with Sheela Foam Limited ("SFL" or "Transferee Company") and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") is subject to necessary statutory and regulatory approvals including the approvals of National Company Law Tribunal, Bench at Delhi ("NCLT"). The same will be accounted for in the books of accounts, in accordance with appendix C to Ind AS-103 on the approval from NCLT.

NOTE 74: FOLLOWING ARE THE RECLASSIFICATIONS MADE IN THE PREVIOUS YEAR FIGURES TO MAKE THEM COMPARABLE/ BETTER PRESENTATION WITH THE CURRENT YEAR FIGURES:

(₹ in Lakhs)

| Particulars | March 31,2022 (Revised) | March 31,2022 (Published) | Nature |
|--------------------------------|----------------------------|------------------------------|------------------------|
| ASSETS | | | |
| Non Current Assets | | | |
| Other financial assets | 1,907.09 | 1,802.46 | Reclassification items |
| Non Current Tax Assets (Net) | 463.33 | 445.33 | Reclassification items |
| Current Assets | | | |
| Trade Receivable | 13,601.78 | 15,163.44 | Reclassification items |
| Other financial assets | 2,817.77 | 2,925.59 | Reclassification items |
| Other Current Assets | 1,922.97 | 1,937.78 | Reclassification items |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |
| Long Term Provisions | 602.57 | 1,408.32 | Reclassification items |
| Current Liabilities | | | |
| Trade payables | 18,941.42 | 20,503.08 | Reclassification items |
| Short term provisions | 1,053.41 | 247.66 | Reclassification items |
| Income | | | |
| Revenue from Operations | 2,00,820.99 | 2,12,443.99 | Reclassification items |
| Expenses | | | |
| Cost of materials consumed | 1,28,594.54 | 1,25,119.54 | Reclassification items |
| Other expenses | 27,787.27 | 42,885.27 | Reclassification items |

As per our report of even date

For **M S K A & Associates**
Chartered Accountants
Firm Registration No.: 105047W

Nipun Gupta
Partner
Membership No.: 502896

Place: Gurugram
Date: May 17, 2023

For and on behalf of the Board of Directors of

Sheela Foam Limited
CIN: L74899DL1971PLC005679

Rahul Gautam
Managing Director
DIN:00192999

Place: Noida
Date: May 17, 2023

Tushaar Gautam
Whole Time Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Md. Iqbal Ahmad
Company Secretary
Membership No.: A20921

Independent Auditor's Report

To the Members of Sheela Foam Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of Sheela Foam Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2023, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended on that date.

DESCRIPTION OF KEY AUDIT MATTER

| Sr. No | Key Audit Matter | How the Key Audit Matter was addressed in our audit |
|--------|---|---|
| 1 | <p>Impairment of Goodwill</p> <p>Refer Note 2.1(d)(6) to the consolidated financial statements</p> <p>Group has a Goodwill on account of consolidation of ₹ 26,366.16 Lakhs as on March 31, 2023. In determining the fair value/value in use of subsidiaries, the Group has applied judgment in estimating future revenues, operating profit margins, longterm growth rate and discount rates. The carrying value of goodwill is tested annually for impairment. The Group performed its annual impairment test of goodwill and determined that there was no impairment.</p> <p>Due to the significance of the carrying value of goodwill and judgment involved in performing impairment test, we have identified this as a key audit matter</p> | <p>Description of Auditor's response:</p> <ul style="list-style-type: none"> • Obtained an understanding from the management with respect to process and controls followed by the Group and tested the design, implementation and operating effectiveness of controls over • the process of impairment assessment to perform annual impairment test related to goodwill. • Obtained the impairment analysis model from the management and reviewed their conclusions. • Tested the inputs used in the Model by examining the underlying data and validating the future projections by comparing past projections with actual results. |

| Sr. No | Key Audit Matter | How the Key Audit Matter was addressed in our audit |
|--------|--|--|
| | | <ul style="list-style-type: none"> Assessed the reasonableness of the assumptions used and appropriateness of the valuation methodology applied. Tested the discount rate and long term growth rates used in the forecast including comparison to economic and industry forecasts where appropriate. Reconciled the future operating cash flow forecasts with the business plan approved by the Company's board of directors. Evaluated the appropriateness of the disclosures made in the consolidated financial statement in relation to the above as required under applicable accounting standards. Verified the related disclosures made in notes to the financial statements in accordance with the requirements of the applicable accounting standards. |
| 2 | <p>Revenue recognition – Discounts and rebates</p> <p>Refer Note 2.10 to the consolidated financial statements, revenue is measured net of any trade discounts and volume rebates to customers (i.e, to the Wholesale traders and Retail traders).</p> <p>As per the secondary scheme, discounts and rebates are passed on to the customers only on secondary sales made by wholesaler to retailer. Further, certain discounts and rebates for goods sold during the year are only finalised when the precise amounts are known, and revenue therefore includes an estimate of variable consideration. This includes establishing an accrual at year end, particularly in arrangements with customers involving varying terms which are based on annual contracts or shorter-term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span beyond the year end. The unsettled portion of the variable consideration, results in accrual of discounts and rebates due to customers as at year end.</p> <p>Significant judgement is required in estimating accruals relating to secondary schemes recognized, based on sales made during the year.</p> <p>In view of above, accrual for discounts and rebates in relation to revenue recognition is identified as a key audit matter.</p> | <p>Description of Auditor's response:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the Company's revenue recognition accounting policies, including those relating to discounts, incentives and rebates as required under the applicable accounting standards. Understood the process followed by the Company to determine the amount of accrual for discounts and rebates. Verified the design and implementation and tested operating effectiveness of key application controls over the Company's automated systems and manual controls over rebates agreements/ arrangements, rebate payments / settlements and Company's review over the rebate accruals. Verified on a test check basis, key customer contracts to identify the relevant terms and conditions related to discounts and rebates. Verified on test check basis, discounts and rebates transactions recorded during the year including period end discounts and rebates accruals and ensured the computation is in accordance with the policy and relevant source documents. Examined historical rebate accrual together with our understanding of current year developments to form an expectation of the rebate accrual as at year end and compared the same with the accrual for the year ended March 31, 2023. Verified completeness and accuracy of the data used by the Company for accrual of discounts and rebates through test of controls. Verified on a test check basis, rebate accruals after the reporting date to validate whether the accrual is recorded in the correct period. Verified payments made after reporting/year end date and where relevant, comparing the payment to the related rebate accrual. |

| Sr. No | Key Audit Matter | How the Key Audit Matter was addressed in our audit |
|--------|------------------|---|
| | | <ul style="list-style-type: none"> • Verified the credit notes for rebates and discounts issued subsequent to the balance sheet date to assess the reasonableness of the amounts recognised and to identify any significant unaccounted secondary trade accruals. • Verified manual journal entries posted to revenue, on a test check basis, to identify unusual items and examining the underlying documentation. • Verified the related disclosures made in notes to the financial statements in accordance with the requirements of the applicable accounting standards. |

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc. but does not include the consolidated financial statements and our auditor's report thereon. The Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc. is expected to be made available to us subsequent to this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc., if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the

accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing ("SAs") 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 consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

OTHER MATTERS

We did not audit the financial statements of ten subsidiaries whose financial statements reflect total assets of Rs. 1,05,539.17 Lakhs as at March 31, 2023, total revenues of Rs. 87,152.57 Lakhs and net cash flows amounting to Rs. 162 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Certain of these subsidiaries, are located outside India whose financial statements and/or other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group Companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 53 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.
 - iv. (1) The respective Managements of the Holding Company and its subsidiaries which are incorporated in India, whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the Note 64 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("intermediaries") with the

understanding, whether recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (2) The respective Managements of the Holding Company and its subsidiaries, which are companies which are incorporated in India and whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in Note 64 to the Consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries, from any persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that

has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement

- v. The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company, and its subsidiary companies incorporated in India only w.e.f. April 1, 2023, reporting under this clause is not applicable.
2. As required by the Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company and the subsidiary companies to the extent applicable to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.
3. According to the information and explanations given to us and based on the Company (Auditor's Report) Order, 2020 (hereinafter referred as "CARO Reports") issued by us for the Holding Company and on consideration of CARO reports issued by the statutory auditors of subsidiaries included in the consolidated financial statements of the Group to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

Nipun Gupta
Partner
Membership No.: 502896
UDIN: 23502896BGTEUR3640

Place: Gurugram
Date: May 17, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

Nipun Gupta
Partner

Place: Gurugram
Date: May 17, 2023

Membership No.: 502896
UDIN: 23502896BGTEUR3640

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED

Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Sheela Foam Limited on the consolidated Financial Statements for the year ended March 31, 2023

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls reference to consolidated financial statements of Sheela Foam Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may

occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to four subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

Nipun Gupta
Partner
Place: Gurugram
Date: May 17, 2023

Nipun Gupta
Partner
Membership No.: 502896
UDIN: 23502896BGTEUR3640

Consolidated Balance Sheet

as at March 31, 2023

(₹ in Lakhs)

| Particulars | Note no. | As at March 31, 2023 | As at March 31, 2022 |
|--|----------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 42,903.60 | 43,547.55 |
| Right-of-use assets | 4 | 10,854.80 | 13,935.72 |
| Capital work-in-progress | 3 | 28,749.03 | 11,989.21 |
| Intangible assets | 5 | 27,402.04 | 25,203.15 |
| Investment property | 6 | 5,338.81 | 5,617.11 |
| Financial assets | | | |
| (i) Investments | 7 | 5,641.29 | 52,883.17 |
| (ii) Loans | 8 | 193.91 | 7.59 |
| (iii) Other financial assets | 9 | 518.97 | 453.61 |
| Deferred tax asset | 10 | 1,367.82 | 783.19 |
| Non current tax assets (net) | 11 | 1,238.76 | 693.34 |
| Other non-current assets | 12 | 3,543.14 | 2,563.97 |
| Total non current assets | | 1,27,752.17 | 1,57,677.61 |
| Current assets | | | |
| Inventories | 13 | 33,132.68 | 31,445.89 |
| Financial assets | | | |
| (i) Investments | 14 | 71,195.73 | 8,938.05 |
| (ii) Trade receivables | 15 | 28,197.60 | 26,939.30 |
| (iii) Cash and cash equivalents | 16 | 4,227.05 | 4,081.28 |
| (iv) Bank balances other than cash and cash equivalents | 17 | 26.65 | 31.58 |
| (v) Loans | 18 | 67.05 | 557.36 |
| (vi) Other financial assets | 19 | 99.98 | 2,634.23 |
| Other current assets | 20 | 6,381.02 | 4,021.98 |
| Total current assets | | 1,43,327.76 | 78,649.67 |
| Total assets | | 2,71,079.93 | 2,36,327.28 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 21 | 4,878.28 | 2,439.14 |
| Other equity | 22 | 1,55,160.90 | 1,36,817.48 |
| Equity attributable to shareholders of the Holding Company | | 1,60,039.18 | 1,39,256.62 |
| Non-controlling Interest | | 826.46 | 763.33 |
| Total equity | | 1,60,865.64 | 1,40,019.95 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 23 | 28,380.63 | 22,818.18 |
| (ii) Lease liabilities | 24 | 8,749.07 | 10,564.79 |
| (iii) Other non current financial liabilities | 25 | 2,593.96 | 5,034.08 |
| Provisions | 26 | 1,304.19 | 1,932.59 |
| Other non current liabilities | 27 | 19.85 | 22.70 |
| Deferred tax liabilities | 28 | 831.69 | 966.99 |
| Total non current liabilities | | 41,879.39 | 41,339.33 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 29 | 18,380.43 | 10,957.32 |
| (ii) Lease liabilities | 24 | 1,598.40 | 2,306.18 |
| (iii) Trade payables | | | |
| - Total outstanding dues of micro enterprises and small enterprises | 30 | 722.01 | 506.29 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 30 | 25,219.37 | 28,036.46 |
| (iv) Other financial liabilities | 31 | 9,170.50 | 4,402.60 |
| Provisions | 26 | 2,050.75 | 1,056.13 |
| Current tax liabilities (net) | 32 | 117.14 | - |
| Other current liabilities | 33 | 11,076.30 | 7,703.02 |
| Total current liabilities | | 68,334.90 | 54,968.00 |
| Total liabilities | | 1,10,214.29 | 96,307.33 |
| Total equity and liabilities | | 2,71,079.93 | 2,36,327.28 |

Significant accounting policies

2

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

 For **M S K A & Associates**

Chartered Accountants

Firm Registration No.: 105047W

For and on behalf of the Board of Directors of

Sheela Foam Limited

CIN: L74899DL1971PLC005679

Nipun Gupta

Partner

Membership No.: 502896

Rahul Gautam

Managing Director

DIN:00192999

Tushaar Gautam

Whole Time Director

DIN:01646487

Amit Kumar Gupta

Group Chief Financial Officer

Place: Gurugram

Date: May 17, 2023

Place: Noida

Date: May 17, 2023

Md. Iqbal Ahmad

Company Secretary

Membership No.: A20921

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars | Note no. | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|----------|--------------------------------------|--------------------------------------|
| Income | | | |
| Revenue from operations | 34 | 2,87,332.09 | 2,86,557.84 |
| Other income | 35 | 8,650.12 | 7,916.32 |
| Total Income | | 2,95,982.21 | 2,94,474.16 |
| Expenses | | | |
| Cost of materials consumed | 36 | 1,61,830.43 | 1,83,325.03 |
| Purchase of stock-in-trade | 37 | 18,063.14 | 5,353.84 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 38 | (1,208.72) | (977.78) |
| Other manufacturing expenses | 39 | 6,764.73 | 6,228.69 |
| Employee benefits expense | 40 | 27,915.33 | 25,547.57 |
| Finance costs | 41 | 2,107.07 | 1,697.31 |
| Depreciation and amortisation expense | 42 | 8,962.43 | 8,077.73 |
| Other expenses | 43 | 44,239.52 | 35,585.89 |
| Total Expenses | | 2,68,673.93 | 2,64,838.28 |
| Profit before tax | | 27,308.28 | 29,635.88 |
| Income Tax expense | 62 | | |
| Current tax | | 7,875.59 | 8,331.47 |
| Tax expenses related to earlier years | | (77.20) | (22.04) |
| Deferred tax (net) | | (796.33) | (546.35) |
| Total Income tax expense | | 7,002.06 | 7,763.08 |
| Profit for the year | | 20,306.22 | 21,872.80 |
| Other comprehensive income (net of tax) | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Remeasurements gain / (loss) of the net defined benefit plans | | (181.17) | (506.09) |
| Income tax on above item | 62 | 45.60 | 128.67 |
| <i>Items that will be reclassified to profit or loss</i> | | | |
| Fair value gain / (loss) on investments and other financial instruments | | (347.78) | 323.91 |
| Income tax on above item | 62 | 87.53 | (81.52) |
| Exchange differences on translation of foreign operations | | 1,647.08 | (50.04) |
| Total Other comprehensive income/ (loss) (net of tax) | | 1,251.26 | (185.07) |
| Total comprehensive income for the year | | 21,557.48 | 21,687.73 |
| Profit for the year attributable to: | | | |
| Shareholders of the Holding Company | | 20,115.67 | 21,732.97 |
| Non-controlling Interest | | 190.55 | 139.83 |
| | | 20,306.22 | 21,872.80 |
| Other Comprehensive Income for the year attributable to: | | | |
| Shareholders of the Holding Company | | 1,251.26 | (185.07) |
| Non-controlling Interest | | - | - |
| | | 1,251.26 | (185.07) |
| Total Comprehensive Income for the year attributable to: | | | |
| Shareholders of the Holding Company | | 21,366.93 | 21,547.90 |
| Non-controlling Interest | | 190.55 | 139.83 |
| | | 21,557.48 | 21,687.73 |
| Earnings per equity share (face value of ₹ 5/- each): | | | |
| Basic and diluted (₹) | 44 | 20.81 | 22.42 |

Significant accounting policies

2

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For and on behalf of the Board of Directors of

For **M S K A & Associates**
Chartered Accountants
Firm Registration No.: 105047W

Sheela Foam Limited
CIN: L74899DL1971PLC005679

Nipun Gupta
Partner
Membership No.: 502896

Rahul Gautam
Managing Director
DIN:00192999

Tushaar Gautam
Whole Time Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Place: Gurugram
Date: May 17, 2023

Place: Noida
Date: May 17, 2023

Md. Iqbal Ahmad
Company Secretary
Membership No.: A20921

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

A. EQUITY SHARE CAPITAL

| Particulars | ₹ in Lakhs |
|--|-----------------|
| Balance as at April 01, 2021 | 2,439.14 |
| Add: Issued during the year | - |
| Balance as at March 31, 2022 | 2,439.14 |
| Add: Bonus shares issued during the year | 2,439.14 |
| Balance as at March 31, 2023 | 4,878.28 |

B. OTHER EQUITY

(₹ in Lakhs)

| Particulars | Reserves and surplus | | | | | Items of Other Comprehensive Income | | Total equity attributable to equity holders of the Company | Non-controlling Interest | Total |
|---|----------------------|-------------------|-----------------|--------------------------------------|-----------------|-------------------------------------|-------------------------|--|--------------------------|--------------------|
| | Retained earnings | Capital reserve | General Reserve | Foreign Currency Translation Reserve | Capital Subsidy | Debt instruments through OCI | Cash flow hedge reserve | | | |
| Balance as at April 01, 2021 | 1,10,120.96 | 2,364.58 | 1,716.27 | 1,549.57 | 56.98 | 181.59 | - | 1,15,989.95 | 891.81 | 1,16,881.76 |
| Profit for the year | 21,732.97 | - | - | - | - | - | - | 21,732.97 | 139.83 | 21,872.80 |
| Capital Subsidy received during the year | - | - | - | - | 13.59 | - | - | 13.59 | - | 13.59 |
| Dividend paid | (146.02) | - | - | - | - | - | - | (146.02) | (226.76) | (372.78) |
| Other comprehensive income for the year (net of tax) | (377.42) | - | - | - | - | 242.38 | - | (135.04) | - | (135.04) |
| Other adjustments | 0.70 | - | - | - | - | - | - | 0.70 | 0.95 | 1.65 |
| Exchange gain/(loss) on translation (net) | - | (1,968.96) | - | 1,330.29 | - | - | - | (638.67) | (42.50) | (681.17) |
| Total comprehensive income for the year | 21,210.23 | (1,968.96) | - | 1,330.29 | 13.59 | 242.38 | - | 20,827.53 | (128.48) | 20,699.05 |
| Balance as at March 31, 2022 | 1,31,331.19 | 395.62 | 1,716.27 | 2,879.86 | 70.57 | 423.97 | - | 1,36,817.48 | 763.33 | 1,37,580.81 |
| Profit for the year | 20,115.67 | - | - | - | - | - | - | 20,115.67 | 190.55 | 20,306.22 |
| Capital Subsidy received during the year | - | - | - | - | - | - | - | - | - | - |
| Bonus shares issued during the year | (394.30) | (328.57) | (1,716.27) | - | - | - | - | (2,439.14) | - | (2,439.14) |
| Expenses towards increase in authorised share capital | (50.39) | - | - | - | - | - | - | (50.39) | - | (50.39) |
| Dividend paid | (103.00) | - | - | - | - | - | - | (103.00) | - | (103.00) |

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

B. OTHER EQUITY

(₹ in Lakhs)

| Particulars | Reserves and surplus | | | | | Items of Other Comprehensive Income | | Total equity attributable to equity holders of the Company | Non-controlling Interest | Total |
|---|----------------------|-----------------|-------------------|--------------------------------------|-----------------|-------------------------------------|-------------------------|--|--------------------------|--------------------|
| | Retained earnings | Capital reserve | General Reserve | Foreign Currency Translation Reserve | Capital Subsidy | Debt instruments through OCI | Cash flow hedge reserve | | | |
| Other comprehensive income for the year (net of tax) | (135.57) | - | - | - | - | - | - | (135.57) | - | (135.57) |
| Other adjustments | 0.16 | - | - | - | (7.17) | - | - | (7.01) | (127.42) | (134.43) |
| Exchange gain/(loss) on translation (net) | - | - | - | 1,647.08 | - | - | - | 1,647.08 | - | 1,647.08 |
| Loss on cash flow hedge reserve (net of tax) | - | - | - | - | - | - | (260.25) | (260.25) | - | (260.25) |
| Realised gain from debt instruments transferred to profit and loss (net of tax) | - | - | - | - | - | (423.97) | - | (423.97) | - | (423.97) |
| Total comprehensive income for the year | 19,432.57 | (328.57) | (1,716.27) | 1,647.08 | (7.17) | (423.97) | (260.25) | 18,343.42 | 63.13 | 18,406.55 |
| Balance as at March 31, 2023 | 1,50,763.76 | 67.05 | - | 4,526.94 | 63.40 | - | (260.25) | 1,55,160.90 | 826.46 | 1,55,987.36 |

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For **M S K A & Associates**
Chartered Accountants
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of

Sheela Foam Limited
CIN: L74899DL1971PLC005679

Nipun Gupta
Partner
Membership No.: 502896

Rahul Gautam
Managing Director
DIN:00192999

Tushaar Gautam
Whole Time Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Place: Gurugram
Date: May 17, 2023

Place: Noida
Date: May 17, 2023

Md. Iqbal Ahmad
Company Secretary
Membership No.: A20921

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| A. Cash flow from operating activities | | |
| Profit before tax | 27,308.28 | 29,635.88 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 8,962.43 | 8,077.73 |
| Finance costs | 2,107.07 | 1,697.31 |
| Advances/Balances written off (including bad debts) | 510.60 | 15.16 |
| Provision for doubtful receivables | 360.20 | 5.07 |
| Provision for warranty | 1,175.79 | 970.42 |
| Subsidy income | (37.43) | (2.84) |
| Net loss on foreign currency forward contracts | 1,322.29 | - |
| Fair value (gain) / loss on investments (net) | (899.08) | 382.97 |
| (Profit) / Loss on sale of investments (net) | (1,868.80) | (1,228.00) |
| Liabilities/provisions no longer required written back | (12.15) | (59.43) |
| Unrealised foreign exchange loss / (gain) (net) | 404.61 | 256.93 |
| Rental Income | (1,256.62) | (1,138.54) |
| Interest Income | (3,276.10) | (3,759.41) |
| (Profit) / Loss on sale of property, plant and equipment (net) | (48.72) | 28.16 |
| Operating profit before working capital changes | 34,752.37 | 34,881.41 |
| Changes in working capital: | | |
| (Increase) / Decrease in inventories | (1,184.69) | 84.84 |
| (Increase) / Decrease in loans and trade receivables | (1,860.96) | 1,698.52 |
| (Increase) / Decrease in other financial and non-financial assets | (2,826.29) | (2,918.69) |
| (Decrease) / Increase in trade payables | (2,925.23) | (3,078.38) |
| (Decrease) / Increase in other financial liabilities, non-financial liabilities and provisions | 3,315.53 | (1,522.72) |
| Cash generated from operations | 29,270.73 | 29,144.98 |
| Income tax paid (net of refunds) | (8,070.06) | (9,430.14) |
| Net cash flow from operating activities (A) | 21,200.67 | 19,714.84 |
| B. Cash flow from investing activities | | |
| Purchase of property, plant and equipment and change in capital work-in-progress | (21,162.24) | (16,345.59) |
| Proceeds from sales of property, plant and equipment | 173.98 | 2,054.84 |
| Investment in bonds, debentures and mutual funds (net) | (12,669.62) | (19,915.07) |
| Proceeds from bank deposits | 4.93 | - |
| Loans and advances given | 303.99 | (40.00) |
| Rental income | 1,256.62 | 1,138.54 |
| Interest income received | 5,251.45 | 2,469.06 |
| Net cash flow (used in) investing activities (B) | (26,840.89) | (30,638.22) |
| C. Cash flow from financing activities | | |
| Payment of Dividend during the year | (279.86) | (372.73) |
| Subsidy received during the year | - | 13.59 |
| Fees paid for increase in authorised share capital | (50.39) | - |
| Proceeds from long term borrowings | 7,684.38 | 9,587.46 |
| Repayment of long term borrowings | (3,759.87) | (32.77) |
| Proceeds from short term borrowings | 6,482.11 | 9,310.96 |
| Repayment of short term borrowings | - | (5,652.79) |
| Payment of lease liabilities (principal and interest) | (2,821.38) | (2,445.30) |
| Finance costs | (1,642.59) | (1,140.07) |
| Net cash flow from financing activities (C) | 5,612.40 | 9,268.35 |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | (27.82) | (1,655.03) |
| Effect of exchange differences on translation of foreign currency cash and cash equivalents | 173.59 | - |
| Cash and cash equivalents at the beginning of the year | 4,081.28 | 5,736.31 |
| Cash and cash equivalents at the end of the year | 4,227.05 | 4,081.28 |

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

Notes :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- Figures in brackets represent cash outflow.
- Components of cash and cash equivalents:

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Cash and cash equivalents | | |
| Cash on hand | 13.11 | 20.95 |
| Deposits having original maturity of less than 3 months | 141.76 | 933.87 |
| Balance with banks in current accounts | 4,072.18 | 3,126.46 |
| Balance as per Statement of Cash Flows | 4,227.05 | 4,081.28 |

- Changes in liabilities arising from financing activities:

| Particulars | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Borrowings | | |
| Borrowings at the beginning of the year | 33,775.50 | 20,562.64 |
| Proceeds from the borrowings | 14,166.49 | 18,898.42 |
| Repayment of borrowings | (3,759.87) | (5,685.56) |
| Exchange differences on translation of foreign operations | 2,578.94 | - |
| Borrowings as at year end | 46,761.06 | 33,775.50 |
| Lease liabilities | | |
| Lease liabilities at the beginning of the year | 12,870.97 | 12,860.24 |
| Addition during the year | 40.54 | 2,490.99 |
| Finance charges | 464.48 | 557.25 |
| Payment of lease liabilities | (2,821.38) | (2,445.30) |
| Cancellation / adjustments | (207.14) | (592.21) |
| Lease liabilities as at year end | 10,347.47 | 12,870.97 |

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For **M S K A & Associates**
Chartered Accountants
Firm Registration No.: 105047W

Nipun Gupta
Partner
Membership No.: 502896

Place: Gurugram
Date: May 17, 2023

For and on behalf of the Board of Directors of

Sheela Foam Limited
CIN: L74899DL1971PLC005679

Rahul Gautam
Managing Director
DIN:00192999

Place: Noida
Date: May 17, 2023

Tushaar Gautam
Whole Time Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Md. Iquebal Ahmad
Company Secretary
Membership No.: A20921

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

1. GROUP INFORMATION

Sheela Foam Limited ('the Holding Company') is a ISO 9001:2000 public limited Group incorporated in India with its registered office in New Delhi. The Holding Group is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

The Holding Company, pioneered in the manufacturing of polyurethane foams, has eleven subsidiary companies (including step down subsidiaries) (two Foreign Subsidiaries 'Joyce Foam PTY Ltd., Australia and its Controlled Entity Joyce W C NSW Pty Limited' and 'International Foam Technologies Spain, S.L.U and its Controlled Entity Interplasp S.L') and (four Indian Subsidiaries 'Divya Software Solutions Private Limited', 'Sleepwell Enterprises Private Limited', 'International Comfort Technologies Private Limited' and 'Staquo World Private Limited and its three Controlled Foreign Entities 'Staquo World Kft, Hungry, Staquo Incorporated, USA and Staquo Technologies L.L.C, Dubai').

The accompanying Consolidated Financial Statements relate to Sheela Foam Limited ('the Holding Company') and its eleven subsidiary companies (including step down subsidiaries) (together referred as "the Group").

The consolidated financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorized for issue on May 17, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance and Basis of Preparation

a. Basis of Preparation:

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act. The consolidated financial statements have been prepared on accrual and going concern basis. All the assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments), measured at fair value (refer accounting policy regarding financial instruments).

- defined benefit plans – plan asset measured at fair value.

b. Functional and presentation currency

The consolidated financial statements are prepared in Indian Rupees ('Rs.'), which is the Holding Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimal places, unless stated otherwise.

c. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it is: -

- expected to be realized, or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it is:

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within 12 months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities:

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle:

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalent. The Group has identified twelve months as its operating cycle.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

d. Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure and the disclosure of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying consolidated financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

These estimates and assumptions are based on the facts and events, that existed as at the date of Balance Sheet, or that occurred after that date but provide additional evidence about conditions existing as at the Balance Sheet date.

1. Useful lives of Property Plant and Equipment

The Property, Plant and Equipment are depreciated on a pro-rate basis on written down value basis, in case of Holding Group (Sheela Foam Limited) and Indian Subsidiaries and on a straight line basis, in the case of foreign Subsidiaries, over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 2.3 below. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the financial position in future years.

2. Retirement benefit obligation

The cost of retirement benefits and present value of the retirement benefit obligations in respect of Gratuity and Leave Encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, these retirement benefit obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long-term government bonds with extrapolated maturity corresponding to the expected duration of these obligations.

The mortality rate is based on publically available mortality table for the specific countries. Future salary, seniority, promotion and other relevant factors and pension increases are based on expected future inflation on a long-term basis. Further details about the assumptions used, including a sensitivity analysis are given in Note 44.

3. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

4. Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5. Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

6. Impairment of Goodwill

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

less any accumulated amortisation and accumulated impairment losses, if any.

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a Cash Generating Unit is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes. The value in use calculation is based on a discounted future cash flows model. The recoverable amount is sensitive to the discount rate used for the discounted future cash flows model as well as the expected future cash-inflows.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell.

Determination of Cash Generating Unit

While assessing impairment, the management has identified every company in which goodwill has generated on acquisition of its subsidiary as the cash generating unit for the purposes of determining the recoverable value.

Significant Cash Generating Units (CGUs)

The management has determined one of the foreign step down subsidiary company located in Spain that is Interplasp S.L. as the significant cash generating unit for the purposes of determining the recoverable value.

| Particular | March 31, 2023 | March 31, 2022 |
|-------------------|----------------|----------------|
| Acquired Goodwill | 26,366.16 | 24,165.95 |

Following key assumptions were considered while performing impairment testing:

| Factors tested | March 31, 2023 | March 31, 2022 |
|---------------------------------------|----------------|----------------|
| Average Sales Growth rate for 5 years | 10% | 10% |

| Factors tested | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Average terminal growth rate | 1.5% | 1.5% |
| Margin | 10.8% | 10.8% |
| Weighted Average Cost Capital % (WACC) post tax (Discount rate) | 8.25% | 8% |

The projections cover a period of five years, as the Company believes this to be the most appropriate timescale over which to review and consider annual performances before applying a terminal value multiple to the final year cash flows. The growth rates and segmental margins used to estimate cash flows for the first five years are based on past performance, and on the Company's five-year strategic plan.

Weighted Average Cost of Capital % (WACC) for the Company = Risk free return + (Market risk premium x Beta).

Impairment

As per the computation, the value in use exceeds the carrying value of subsidiary company and accordingly the management has concluded that no impairment needs to be recognised for the current year.

The Company has performed sensitivity analysis and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of a CGU to exceed its recoverable amount.

2.2 BASIS OF CONSOLIDATION

Control is achieved when the group is exposed or has rights to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consolidation of a subsidiary begins with the group obtains control over the subsidiary and ceases when group loses control of the subsidiary. The Consolidated Financial Statements have been prepared on the following basis: -

Basis of Accounting:

- The financial statements of all subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Holding company, i.e., year ended on 31 March. When the end of the reporting period of the holding company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

as the financial statements of the holding company to enable the holding company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

- ii) In case of foreign Subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rates prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve.
- iii) The consolidated financial statements have been prepared in accordance with Indian Accounting Standard - 110 "Consolidated Financial Statements".

Principles of Consolidation:

- i) The financial statements of the Holding Company and its Subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets,

liabilities, income and expenses after fully eliminating the intra-group balances and intra-group transactions and unrealized profits or losses in accordance with Indian Accounting Standard - 110 on "Consolidated Financial Statements". Non - controlling interests in the results and equity of subsidiaries are shown separately in the consolidated financials statement .

- ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Group's separate financial statements except as otherwise stated in the Significant Accounting Policies.
- iii) The difference between the costs of investments in the Subsidiaries over the net assets at the time of acquisition of shares in the Subsidiaries is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve as the case may be.

The Consolidated Financial Statements of the Holding Group includes the results of following entities:

| Name of Company | Country of Incorporation | Proportion (%) of Shareholding as on 31.03.2023 | Proportion (%) of Shareholding as on 31.03.2022 |
|--|--------------------------|---|---|
| Subsidiary Companies | | | |
| Joyce Foam Pty. Limited and its Controlled Entity (Joyce W C NSW Pty Limited) | Australia | 100% | 100% |
| International Foam Technologies SL, Spain and its Controlled Entity (Interplasp S.L) | Spain | 100% | 100% |
| Divya Software Solutions Private Limited | India | 100% | 100% |
| Sleepwell Enterprises Private Limited | India | 100% | 100% |
| Staqo World Pvt. Ltd. and its 3 Controlled Entities (Staqo Technologies L.L.C. , Staqo World LLC and Staqo Incorporated) | India | 100% | 100% |
| International Comfort Technologies Private Limited | India | 100% | 100 % |

2.3 Property, Plant & Equipment

Property, Plant & Equipment are accounted for on historical cost basis (inclusive of the cost of installation and other incidental costs till the date of commencement of commercial production) net of recoverable taxes, less accumulated depreciation and impairment loss, if any. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are added to the existing asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Cost of leasehold land is amortized over the period of lease. Leasehold improvements are amortized over the lease period, which corresponds with the useful life of assets .

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

In the case of the Holding Company (Sheela Foam Limited) and Indian Subsidiaries (Divya Software Solutions Private Limited, Sleepwell Enterprises Private Limited, Staqo World Private Limited and International Comfort Technologies Private Limited)

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Depreciation on property, plant & equipment is provided on a pro-rata basis on written down value basis, over the useful life of the assets estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The asset's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The property, plant and equipment costing upto Rs. 5,000/- are fully depreciated during the year of addition after retaining 5% as net residual value. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

| Asset | Useful life as per Schedule II of the Companies Act, 2013 (No. of Years) | Useful life as assessed / estimated by the Group (No. of Years) |
|-------------------------------------|--|---|
| Buildings : | | |
| - Factory (including roads & lanes) | 30 | 29 |
| - Office | 60 | 4-59 |
| - Residential | 60 | 59 |
| Plant & Equipment | 15 | 20 |
| Furniture & Fixtures | 10 | 15 |
| Vehicles : | | |
| - Motor Cars | 8 | 10 |
| Office Equipment | 5 | 20 |
| Date Processing Equipment : | | |
| - Computer Equipment | 3 | 6 |
| Electrical Fittings | 10 | 20 |

Based on usage pattern, technical evaluation and internal assessment, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

In the case of foreign Subsidiaries (Joyce Foam Pty. Ltd. and its Controlled Entities, and International Foam Technologies SL, Spain and its Controlled Entities)

The depreciable amount of all fixed assets including capitalised lease assets, is depreciated on a straight line basis over the estimated useful lives to the Group commencing from time the assets is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

| Asset | Useful Life range |
|----------------------------|-------------------|
| Buildings | 34 to 36 years |
| Technical Installations | 10 to 20 years |
| Plant & Machinery | 8 to 20 years |
| Furniture & Furnishings | 3 to 7 years |
| Tooling & Other Facilities | 10 years |
| Data Processing Equipment | 4 to 6 years |
| Vehicles | 6 to 7 years |
| Other Assets | 8 to 9 years |

Transition to Ind AS

On transition to Ind AS, the Group (in respect of companies incorporated in India) has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

2.4 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are added to the carrying amount only when it is probable that it will increase its useful life. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. Though the Group measures investment property using cost based measurement, the fair value of the investment property is disclosed in the notes. Fair value is determined based on an annual evaluation performed by an accredited external independent valuer applying a recognized and recommended valuation model.

Depreciation on investment property, is provided on a pro-rata basis on written down value basis, over the useful life of the property estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The property's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

| Asset | Useful life as per Schedule II of the Companies Act, 2013 (No. of Years) | Useful life as assessed / estimated by the Group (No. of Years) |
|--------------------|--|---|
| Buildings : | | |
| - Factory | 30 | 29 |
| - Office | 60 | 59 |
| - Residential | 60 | 59 |

Based on usage pattern, technical evaluation and internal assessment, the management believes that the useful lives as given above best represent the period over which the management expects to use these properties. Hence the useful lives of these properties is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Investment property is derecognized when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss arising on de-recognition of the investment property is included in the Statement of Profit and Loss.

Transfers are made to / from investment property only when there is a change in its use. Transfers between investment property is made at the carrying amount of the property transferred.

Transition to Ind AS

On transition to Ind AS, since there is no change in the functional currency, the Group (in respect of companies incorporated in India) has elected to continue with the carrying value for all of its investment property as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., April 01, 2016.

2.5 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

(a) Initial recognition and measurement

At initial recognition, all financial assets are recognized at its fair value plus, in the case of a financial asset not carried at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(b) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- at amortized cost;
- at fair value through other comprehensive income (FVTOCI); and
- at fair value through profit and loss (FVTPL)

Where financial assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit and loss), or recognized in other comprehensive income (i.e. fair value through Other Comprehensive Income).

The classification of financial assets depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

(1) Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if both the following conditions are met:

- **Business Model Test:** The objective of the business model is to hold financial asset in order to collect contractual cash flows (rather than to sell the asset prior to its financial maturity to realize its fair value changes); and
- **Cash Flow Characteristics Test:** The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

This category is most relevant to the Group. After initial measurement, such financial asset are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in interest income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade receivables, deposits with banks, security deposits, cash and cash equivalents and employee loans, etc.

(2) Financial instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- Business Model Test: The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- Cash Flow Characteristics Test: The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Profit and Loss.

(3) Financial instruments measured at Fair Value Through Profit and Loss (FVTPL)

Fair Value through Profit and Loss is a residual category. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified as FVTPL. Financial instruments included in FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements i.e. gain or loss and interest income are recorded in Statement of Profit and Loss.

(c) Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial Assets measured at amortized cost;
- Financial Assets measured at FVTOCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Financial assets that are debt instruments, and are measured at amortized cost i.e. trade receivables, deposits with banks, security deposits and employee loans etc.
- Financial assets that are debt instruments, and are measured at FVTOCI,

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The trade receivables are initially recognized at the sale/recoverable value and are assessed at each Balance Sheet date for collectability. Trade receivables are classified as current assets, if collection is expected within twelve months as at Balance Sheet date, if not, they are classified under non-current assets.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months (Expected Credit Loss) ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12-months ECL.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on timely basis.

(d) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's Balance Sheet) when:

- The rights to receive cash flows from the asset have been expired/transferred, or
- The Group retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Group has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade payables, borrowings, security deposits and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit or Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in Other Comprehensive Income. These gains/ losses are not subsequently transferred to Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the Statement of Profit and Loss.

Borrowings & Security Deposits

Any difference between the proceeds (net of transaction costs) and the repayment amount is recognized in Statement of profit or loss over the period of the liability and subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR.

Financial Guarantee Contract

Financial guarantee contracts issued by the Holding Group are those contracts that require a payment to be made to reimburse the holder for loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Trade and other payables

Trade and other payables are obligations incurred by the Group towards purchase of raw material and other

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goods and availing the services that have been acquired or availed in the ordinary course of business. Trade and other payables are classified under current liabilities, if payment is due within 12 months as at Balance Sheet date, if not, they are classified under non-current liabilities.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(iii) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(iv) Derivative Financial Instruments :

Initial recognition and subsequent measurement

The Holding Company uses derivative financial instruments to hedge its foreign currency risk and interest rate risk. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Statement of Profit or Loss and Other Comprehensive Income. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Hedge Accounting

The Holding Company designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as cash flow hedges.

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements: -

There is an economic relationship between the hedged items and the hedging instruments,

- the effect of credit risk does not dominate the value changes that result from that economic relationship,

- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Holding Company documents whether the hedging instrument is highly effective in offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The Holding Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit or Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit or Loss upon the occurrence of the underlying transaction.

2.6 Inventories

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable

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value. Cost of work in progress and manufactured finished goods comprises is determined on weighted average and its cost comprises of direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods includes cost of purchase and such other costs.

In determining the cost of inventories, first-in-first-out cost method is used.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item-by-item basis.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

2.8 Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets, other than deferred tax assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the 'cash generating unit' to which the asset belongs. Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGU's. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit or Loss and Other Comprehensive Income. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the assets of the CGU on a pro rata basis. Refer note 3 for the use of estimates and judgments for assessing impairment of goodwill.

2.9 Provisions and Contingent Liabilities

a) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balances sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Provision for Warranty

Warranty provision is determined based on the historical percentage of warranty expense to sales for the same types of goods depending upon the warranty period offered. The percentage to the sales is applied to derive the warranty expense to be accrued. Actual warranty claims are settled against warranty provision. The warranty claims may not exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence. Closing warranty provision is bifurcated into Current and Non-current based on the past settlement trend with the non-current portion being discounted to derive the present value. The assumptions are consistent with prior years.

c) Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

2.10 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

IND As 115 five step model is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligation in contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Sales are recognized at the fair value of the consideration that can be reliably measured and reduced by variable consideration. Variable consideration includes sales returns, trade discounts, volume based incentives, and cost of promotional programs, indirect taxes as may be applicable.

The Group provides various volume based rebates to certain customers once the goods are purchased by them above a certain threshold as specified in the scheme letter. Rebates outstanding at the balance sheet date are adjusted against the amount receivable from the customer. To estimate and recognise the liability for the incentives the Group used the methods which best predicts the amount of incentives and is primarily driven by the number of volume thresholds mentioned in the contracts.

i) Sale of goods – distributors

The Group operates via chain of distributors selling mattresses and home comfort products. Revenue from the such sales is recognised when control of the products being sold is transferred to distributor and when there are no longer any unfulfilled obligations. As per Group's policies the performance obligations are fulfilled at the time of dispatch from the factory or warehouse.

Group's contract with trade customers do not have financing component or non-cash consideration and the Group does not have any unbilled revenue or deferred revenue.

It is the Group's policy to sell its products to the end customer with a right of return within a stipulated time period. Therefore, a refund liability (included in other current liabilities) and a right to recover the returned goods (included in other current assets) are recognised for the products expected to be returned, based on estimate. Historical data and past trends are used to estimate such returns. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

The Group's obligation to replace faulty products under the standard warranty terms is recognised as a provision (Refer Note 25).

ii) Sale of goods – B2B

The Group manufactures and sells a range of industrial foam and cushioning foam to B2B segment. Sales are recognised when control of the products has transferred, that is when the products are dispatched from the factory or the warehouse.

iii) Sale of services

The IT consulting division provides business IT management, design, implementation and support services under fixed-price and variable-price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Some contracts include multiple deliverables, such as the sale of hardware and related installation services. However, the installation is simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.

Other Income

i) Interest income from Bonds

Interest income from bonds at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

ii) Rental income

Rental income from operating leases where the Group's entity is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

iii) Income from sale of investments

The Group earns profit/loss on sale of bonds and mutual funds. When these investments are sold, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss.

2.11 Government Grants / Subsidy

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

2.12 Employee Benefits

In the case of the Holding Company (Sheela Foam Limited) and Indian Subsidiaries (Divya Software Solutions Private Limited, Sleepwell Enterprises Private Limited, Staqo World Private Limited and International Comfort Technologies Private Limited)

a. Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia, performance incentive/pay etc. and the same are recognized in the period in which the employee renders the related services.

b. Long Term Benefit

The employees are entitled to long service award (LSA), as retention earned leave, after completion of service of five years, which can be en-cashed or accumulated till

retirement. The liability towards LSA is provided for on accrual basis as estimated by the management.

c. Post-Employment Benefits

i. Defined contribution plan:

Approved provident fund scheme, employees' state insurance fund scheme and employees' pension scheme are defined contribution plans. There is no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

ii. Defined benefit plan:

Gratuity

Gratuity, being a defined benefit plan (the 'Gratuity Plan') covers eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise. The Holding Company Liability is funded through a separate Gratuity Trust. The short/excess of gratuity liability as compared to the net fund held by the Gratuity Trust is accounted for as liability/ asset as at the Balance Sheet date.

d. Other Long Term Benefits

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Leaves under defined benefit plans can be encashed only on discontinuation of service by employee.

ii. Employees State Insurance Scheme

Contribution towards employees' state insurance scheme is made to the regulatory authorities, as applicable and has no further obligations. Such benefits are classified as Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

In the case of foreign Subsidiaries (Joyce Foam Pty. Ltd. and its Controlled Entity, and International Foam Technologies SL, Spain and its Controlled Entity)

Provision is made for the liability for employee benefits arising from services rendered by employees to balance sheet date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those of benefits.

2.13 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, for a period of time in exchange for consideration even if that right is not explicitly specified in an arrangement.

Group as a lessee

The Group's lease assets classes primarily consist of leases for Land & Buildings. The Group assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset and a corresponding lease

liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low value assets. For these short-term and leases of low value assets, the Group recognises the lease payments as an operating expense in the statement of profit and loss.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group separately recognizes the interest expense on the lease liability as finance cost and the depreciation expense on the right-of-use asset.

Group as a lessor

Lease income from operating lease is recognized on a straight-line basis or another systematic basis as per the terms of the relevant lease. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as lease income.

2.14 Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency existing as at the balance sheet date are translated at the year end exchange rates. Exchange rate differences arising on settlement of transaction and translation of monetary items are recognized as income or expenses in the year in which they arise. The long term foreign currency monetary items are carried at the exchange rate prevailing on the date of initial transaction.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of initial transactions.

2.15 Taxation

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

a) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

b) Deferred Tax

Deferred tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in consolidated financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.16 Dividend Distribution:

The group recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Entity and is declared by the shareholders. A corresponding amount is recognized directly in the Equity.

2.17 Earnings per Share:

Basic earnings per share is calculated by dividing net profit of the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding without a corresponding change in the resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.18 Goodwill

Business Combinations are accounted for using the acquisition method of accounting, except for common control transactions which are accounted using the pooling of interest method that is accounted at carrying values.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities assumed at their acquisition date i.e. the date on which control is acquired. Contingent consideration to be transferred is recognised at fair value and included as part of cost of acquisition. Transaction related costs are expensed in the period in which the costs are incurred.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Goodwill arising on business combination is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the fair value of net identifiable assets acquired and

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

liabilities assumed. After initial recognition, Goodwill is tested for impairment annually and measured at cost less any accumulated impairment losses if any

Goodwill is not amortized; however, it is tested annually for impairment and whenever there is an indication that the unit may be impaired and carried at cost less any accumulated impairment losses.

For the purpose of impairment testing, the goodwill is allocated to a cash-generating-unit ('CGU') or group of CGUs ('CGUs'), which are expected to benefit from the acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying value of a CGU / CGUs including the goodwill, exceeds the estimated recoverable amount of the CGU / CGUs. The recoverable amount of a CGU / CGUs is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of future cash flows expected to be derived from the CGU / CGUs.

The total impairment loss of a CGU / CGUs is allocated first to reduce the carrying value of goodwill allocated to that CGU / CGUs and then to the other assets of that CGU / CGUs - on pro-rata basis of the carrying value of each asset.

2.19 Transactions within Group

Transactions including expenses to be shared between the companies within the Group are initially recorded under operational heads by the respective Group, and reduced on actual or proportionate (where those are not directly attributable) basis during consolidation.

2.20 Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

2.21 Contributed equity

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds.

2.22 Standards (including amendments) issued but not yet effective.

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023, to amend certain Ind ASs which are effective from April 01, 2023: Below is a summary of such amendments:

(i) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements

The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

The amendments are effective for annual reporting periods beginning on or after April 01, 2023. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(ii) Definition of Accounting Estimates - Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments are effective for annual reporting periods beginning on or after April 01, 2023. The amendments are not expected to have a material impact on the Company's financial statements.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

2.23 Standards that became effective during the year

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from April 01, 2022

(i) Onerous Contracts- Cost of Fulfilling a Contract - Amendments to Ind AS 37

Ind AS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Company has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to Ind AS 37 clarify, that the costs relating directly to the contract consist of both:

- The incremental costs of fulfilling that contract- e.g. direct labour and material; and
- An allocation of other costs that relate directly to fulfilling contracts: e.g. Allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

These amendments have no impact on the financial statements of the Company.

(ii) References to the Conceptual Framework - Amendments to Ind AS 103

The amendments update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

The amendment also add a new exception in Ind AS 103 for liabilities and contingent liabilities.

These amendments have no impact on the financial statements of the Company.

(iii) Property, Plant and Equipment: Proceeds Before Intended Use- Amendment to Ind AS 16

The amendment to Ind AS 16 clarifies that any excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

These amendments had no impact on the year-end financial statements of the Company as there were no sales of such items.

(iv) Ind AS 109 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liability

The amendment clarifies which fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the year.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

| Particulars | Land - freehold | Buildings (Including Roads & Lanes) | Plant & Equipment Free Hold | Plant & Equipment Lease Hold | Furniture and fixtures | Vehicles | Office equipment | Electrical fittings | Total property, plant and equipment | Capital work-in-progress |
|--------------------------------------|-----------------|-------------------------------------|-----------------------------|------------------------------|------------------------|-----------------|------------------|---------------------|-------------------------------------|--------------------------|
| At cost or deemed cost | | | | | | | | | | |
| As at April 1, 2021 | 1,850.65 | 24,387.13 | 36,875.94 | 116.00 | 1,252.16 | 994.92 | 2,097.34 | 1,371.34 | 68,945.48 | 3,256.48 |
| Additions | - | 51.81 | 5,567.86 | - | 148.36 | 319.51 | 279.35 | 143.51 | 6,510.40 | 15,698.22 |
| Disposals/transfer | (6.69) | (359.78) | (1,426.26) | (1.34) | (3.86) | (85.38) | (19.04) | (2.62) | (1,904.97) | (6,965.49) |
| As at March 31, 2022 | 1,843.96 | 24,079.16 | 41,017.54 | 114.66 | 1,396.66 | 1,229.05 | 2,357.65 | 1,512.23 | 73,550.91 | 11,989.21 |
| Additions | 29.11 | 1,892.09 | 1,517.81 | - | 99.58 | 539.07 | 330.11 | 8.54 | 4,416.31 | 17,919.08 |
| Disposals/transfer | - | (9.02) | (166.83) | - | (17.40) | (80.82) | (88.11) | (0.23) | (362.41) | (1,173.15) |
| Foreign currency translation reserve | 13.19 | 636.73 | 933.07 | (0.08) | 3.49 | (0.17) | 10.91 | - | 1,597.14 | 13.89 |
| As at March 31, 2023 | 1,886.26 | 26,598.96 | 43,301.59 | 114.58 | 1,482.33 | 1,687.13 | 2,610.56 | 1,520.54 | 79,201.95 | 28,749.03 |
| Accumulated depreciation | | | | | | | | | | |
| As at April 1, 2021 | - | 5,785.65 | 17,499.28 | 10.98 | 532.33 | 544.58 | 1,082.06 | 493.21 | 25,948.09 | - |
| Depreciation charge for the year | - | 1,229.57 | 2,958.66 | 5.77 | 133.53 | 136.30 | 240.21 | 131.14 | 4,835.18 | - |
| Disposals/adjustments | - | (62.19) | (635.60) | (4.82) | (2.14) | (60.56) | (14.19) | (0.41) | (779.91) | - |
| As at March 31, 2022 | - | 6,953.03 | 19,822.34 | 11.93 | 663.72 | 620.32 | 1,308.08 | 623.94 | 30,003.36 | - |
| Depreciation charge for the year | - | 1,815.99 | 3,069.81 | 5.73 | 152.57 | 233.01 | 342.59 | 130.65 | 5,750.35 | - |
| Disposals/adjustments | - | (3.03) | (107.33) | - | (7.77) | (44.96) | (73.86) | (0.20) | (237.15) | - |
| Foreign currency translation reserve | - | 153.13 | 618.08 | (0.01) | 1.53 | (0.13) | 9.19 | - | 781.79 | - |
| As at March 31, 2023 | - | 8,919.12 | 23,402.90 | 17.65 | 810.05 | 808.24 | 1,586.00 | 754.39 | 36,298.35 | - |
| Net carrying amount | | | | | | | | | | |
| As at March 31, 2022 | 1,843.96 | 17,126.13 | 21,195.20 | 102.73 | 732.94 | 608.73 | 1,049.57 | 888.29 | 43,547.55 | 11,989.21 |
| As at March 31, 2023 | 1,886.26 | 17,679.84 | 19,898.69 | 96.93 | 672.28 | 878.89 | 1,024.56 | 766.15 | 42,903.60 | 28,749.03 |

Notes:

- Property, plant and equipment and capital work-in-progress has been pledged as security amounted ₹ 49,039.43 Lakhs (March 31, 2022: ₹ 37,222.83 Lakhs).
- Refer note no. 52 for disclosure of commitment for expenditure on account of acquisition of Property, plant and equipment.
- There are no title deeds of Immovable Properties, which are not held in name of the Group.
- Capital work-in-progress represents assets under construction & installation at various sites and ageing analysis is as below:

(₹ in Lakhs)

| Particulars | March 31, 2023 | | | | | Total | March 31, 2022 | | | | | Total |
|----------------------|--|-----------|-----------|-------------------|-----------|-----------|--|-----------|-----------|-------------------|-------|-------|
| | Amount in Capital Work-in-progress for a period of | | | | Total | | Amount in Capital Work-in-progress for a period of | | | | Total | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | | |
| Projects in progress | 25,580.91 | 3,168.12 | - | - | 28,749.03 | 11,989.21 | - | - | - | 11,989.21 | | |

- Schedule for Capital work-in-progress whose completion is overdue compared to its original plan:

(₹ in Lakhs)

| Particulars | March 31, 2023 | | | | | Total | March 31, 2022 | | | | | Total |
|----------------------|--|-----------|-----------|-------------------|-----------|-------|--|-----------|-----------|-------------------|-------|-------|
| | Amount in Capital Work-in-progress for a period of | | | | Total | | Amount in Capital Work-in-progress for a period of | | | | Total | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | | |
| Projects in progress | 10,390.22 | - | - | - | 10,390.22 | - | - | - | - | - | | |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 4 : RIGHT-OF-USE ASSETS

(₹ in Lakhs)

| Particulars | Leasehold land | Buildings | Plant & Equipment | Total |
|--|-----------------|------------------|-------------------|------------------|
| Cost | | | | |
| At April 1, 2021 | 2,104.72 | 14,506.09 | 174.19 | 16,785.00 |
| Additions | 2,628.77 | 787.57 | - | 3,416.34 |
| Disposal/Transfer | (594.33) | (166.90) | (2.01) | (763.24) |
| As at March 31, 2022 | 4,139.16 | 15,126.76 | 172.18 | 19,438.10 |
| Additions | - | 40.54 | - | 40.54 |
| Disposal/Transfer | (5.61) | (277.77) | (0.14) | (283.52) |
| As at March 31, 2023 | 4,133.55 | 14,889.53 | 172.04 | 19,195.12 |
| Accumulated Depreciation | | | | |
| At April 1, 2021 | 100.37 | 2,434.02 | 70.73 | 2,605.12 |
| Charge for the year | 111.12 | 2,803.89 | 39.05 | 2,954.06 |
| Disposal/transfer | (12.10) | (43.66) | (1.04) | (56.80) |
| As at March 31, 2022 | 199.39 | 5,194.25 | 108.74 | 5,502.38 |
| Charge for the year | 203.07 | 2,691.89 | 37.23 | 2,932.19 |
| Disposal/transfer | - | (94.15) | (0.10) | (94.25) |
| As at March 31, 2023 | 402.46 | 7,791.99 | 145.87 | 8,340.32 |
| Net book value as at March 31, 2022 | 3,939.77 | 9,932.51 | 63.44 | 13,935.72 |
| Net book value as at March 31, 2023 | 3,731.09 | 7,097.54 | 26.17 | 10,854.80 |

(i) Refer note no. 47 for detailed disclosures as per Ind AS 116 'Leases'.

(ii) Leasehold land has been pledged as security amounted ₹ 730.27 Lakhs (March 31, 2022, Rs. 737.91 Lakhs).

NOTE 5 : INTANGIBLE ASSETS

(₹ in Lakhs)

| Particulars | Goodwill | Other Intangible assets | Total |
|--|------------------|-------------------------|------------------|
| Cost | | | |
| At April 1, 2021 | 26,306.69 | 292.99 | 26,599.68 |
| Additions | - | 4.73 | 4.73 |
| Disposal/Transfer | (1,108.13) | (12.93) | (1,121.06) |
| As at March 31, 2022 | 25,198.56 | 284.79 | 25,483.35 |
| Additions | - | - | - |
| Disposal/Transfer | - | - | - |
| Foreign currency translation reserve | 2,200.19 | 25.93 | 2,226.12 |
| As at March 31, 2023 | 27,398.75 | 310.72 | 27,709.47 |
| Accumulated Amortisation | | | |
| At April 1, 2021 | - | 292.99 | 292.99 |
| Charge for the year | - | 0.14 | 0.14 |
| Disposal/Transfer | - | (12.93) | (12.93) |
| As at March 31, 2022 | - | 280.20 | 280.20 |
| Charge for the year | - | 1.59 | 1.59 |
| Disposal/Transfer | - | - | - |
| Foreign currency translation reserve | - | 25.64 | 25.64 |
| As at March 31, 2023 | - | 307.43 | 307.43 |
| Net book value as at March 31, 2022 | 25,198.56 | 4.59 | 25,203.15 |
| Net book value as at March 31, 2023 | 27,398.75 | 3.29 | 27,402.04 |

Note : Intangible assets has been pledged as security amounted ₹ 33.65 Lakhs (March 31, 2022: ₹ 33.67 Lakhs).

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 6 : INVESTMENT PROPERTY

(₹ in Lakhs)

| Particulars | Freehold land | Leasehold land | Buildings | Total |
|--|---------------|----------------|-----------------|-----------------|
| Cost | | | | |
| At April 1, 2021 | 10.90 | 68.47 | 6,328.54 | 6,407.91 |
| Additions | - | - | - | - |
| Disposal/Transfer | - | - | - | - |
| As at March 31, 2022 | 10.90 | 68.47 | 6,328.54 | 6,407.91 |
| Additions | - | - | - | - |
| Disposal/Transfer | - | - | - | - |
| As at March 31, 2023 | 10.90 | 68.47 | 6,328.54 | 6,407.91 |
| Accumulated Depreciation | | | | |
| At April 1, 2021 | - | 4.55 | 497.89 | 502.44 |
| Charge for the year | - | 0.91 | 287.45 | 288.36 |
| Disposal/Transfer | - | - | - | - |
| As at March 31, 2022 | - | 5.46 | 785.34 | 790.80 |
| Charge for the year | - | 0.91 | 277.39 | 278.30 |
| Disposal/Transfer | - | - | - | - |
| As at March 31, 2023 | - | 6.37 | 1,062.73 | 1,069.10 |
| Net book value as at March 31, 2022 | 10.90 | 63.01 | 5,543.20 | 5,617.11 |
| Net book value as at March 31, 2023 | 10.90 | 62.10 | 5,265.81 | 5,338.81 |

Notes:

- Refer 'Para- 2.4' of Significant Accounting Policies for depreciation and measurement of Investment property.
- The leasehold land has been amortised during the year by ₹ 0.91 Lakhs (March 31, 2022: ₹ 0.91 Lakhs) as per the accounting policy in terms of the Ind AS 40 on 'Investment Property'.
- Income from investment property :

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Rental Income derived from investment property | 216.63 | 214.73 |
| Profit arising from investment property before depreciation | 216.63 | 214.73 |
| (Less): Depreciation for the year | (278.30) | (288.36) |
| Net profit/(loss) arising from investment property | (61.67) | (73.63) |

- The Group has obtained independent valuation for its investment properties at ₹11,431.96 Lakhs as on March 31, 2023 and ₹10,857.04 Lakhs as on March 31, 2022. These valuations are based on valuations performed by K.S. Agrawal Associates, an accredited independent valuer. K.S. Agrawal Associates is a specialist in valuing these types of investment properties and reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an asset of equivalent utility, depreciation and obsolescence. Fair market value is the amount expressed in terms of money that may reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that Group shall continue to operate and run the assets to have economic utility. The fair value is on 'as is where is' basis.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

- e. There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements thereof and there are no restriction on remittance of income and proceeds of disposal.
- f. The investment properties which are leasehold properties, realisability of the same is subject to the terms and conditions under the respective lease agreements.
- g. The Group's Investment Properties are given on cancellable lease for a period 1-10 years.

NOTE 7 : INVESTMENTS (NON CURRENT)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| In Bonds & Debentures - fully paid up | | |
| Carried at amortised cost - Unquoted | 0.35 | 0.35 |
| Carried at fair value through Other Comprehensive Income - Quoted | - | 47,876.02 |
| Carried at fair value through Profit & Loss - Unquoted | 5,640.94 | 5,006.80 |
| Total Investments | 5,641.29 | 52,883.17 |
| Aggregate amount of Quoted Investments | - | 47,876.02 |
| Market value of Quoted Investments | - | 47,876.02 |
| Aggregate amount of Unquoted Investment | 5,641.29 | 5,007.15 |
| Aggregate amount of impairment in value of Investment | - | - |

The above bonds and debentures carries coupon rate ranging from 8% to 10.50% (March 31, 2022: 8% to 10.50%).

NOTE 8 : LOANS (NON CURRENT)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------|-------------------------|-------------------------|
| (Unsecured, considered good) | | |
| At amortised cost | | |
| Loans to employees | 10.53 | 7.59 |
| Other Loans | 183.38 | - |
| Total | 193.91 | 7.59 |

NOTE 9 : OTHER FINANCIAL ASSETS (NON CURRENT)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------|-------------------------|-------------------------|
| (Unsecured, considered good) | | |
| Security deposits | 517.63 | 452.27 |
| Deposits with Banks: | | |
| - held as margin money | 1.34 | 1.34 |
| | 518.97 | 453.61 |

NOTE 10 : DEFERRED TAX ASSETS

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------|-------------------------|-------------------------|
| Deferred tax assets | 1,367.82 | 783.19 |
| Total | 1,367.82 | 783.19 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Movement of deferred tax assets

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Deferred tax assets in relation to | | |
| Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting purposes | (24.23) | (97.29) |
| Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis | 37.75 | 29.69 |
| Fair value gain/(loss) on financial instruments at fair value through statement of profit & loss (net) | (9.03) | (2.36) |
| Remeasurements gain / (loss) of the net defined benefit plans | 11.62 | (0.53) |
| Lease Liabilities (net) | (149.72) | 10.62 |
| Business loss | 815.33 | 233.46 |
| Others | 686.10 | 609.60 |
| Total | 1,367.82 | 783.19 |

NOTE 11 : NON CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Advance income tax (net of provision of ₹ 13,963.88 Lakhs (March 31,2022: ₹ 26,077.86 Lakhs)) | 1,238.76 | 693.34 |
| Total | 1,238.76 | 693.34 |

NOTE 12 : OTHER NON CURRENT ASSETS

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------|-------------------------|-------------------------|
| (Unsecured, considered good) | | |
| Capital advances* | 3,357.30 | 2,485.15 |
| Prepaid rent | 38.48 | 38.82 |
| Loan and advances | 147.36 | 40.00 |
| Total | 3,543.14 | 2,563.97 |

*For value of contracts in capital account remaining to be executed (refer note no. 52)

NOTE 13 : INVENTORIES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| (Valued at lower of cost and net realisable value unless otherwise stated) | | |
| Raw materials | 17,906.82 | 16,417.46 |
| Raw materials (In transit) | 1,913.61 | 2,975.91 |
| Work-in-progress | 5,397.21 | 5,331.22 |
| Finished goods | 3,429.56 | 4,016.91 |
| Stock-in-trade | 2,590.31 | 840.21 |
| Packing materials | 593.20 | 839.91 |
| Packing materials (In transit) | 40.68 | 54.88 |
| Stores and spares | 1,236.80 | 938.29 |
| Stores & spares (In transit) | 24.49 | 31.10 |
| Total | 33,132.68 | 31,445.89 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Notes:

- (i) Value of inventories above is net of provision for slow moving/ obsolete inventories amounting to ₹ 655.58 Lakhs (March 31, 2022: ₹ 126.98 Lakhs) for write-down to net realisable value and provision for slow-moving and obsolete items.
- (ii) Inventories held by the Group are subject to hypothecation by bankers towards working capital limits obtained by the Group (refer note no. 54).

NOTE 14 : INVESTMENTS (CURRENT)

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| In Mutual Funds - fully paid up | | |
| Carried at fair value through profit and loss- Quoted | 71,168.46 | 8,913.05 |
| In Bonds & Debentures - fully paid up | | |
| Carried at amortised cost - Unquoted | 27.27 | 25.00 |
| Total Investments | 71,195.73 | 8,938.05 |
| Aggregate amount of Quoted Investments | 71,168.46 | 8,913.05 |
| Aggregate market value of Quoted Investments | 71,168.46 | 8,913.05 |
| Aggregate amount of Unquoted Investments | 27.27 | 25.00 |
| Aggregate amount of impairment in value of Investment | - | - |

NOTE 15 : TRADE RECEIVABLES

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (At amortised cost) | | |
| Unsecured | | |
| Trade receivables - considered good (refer note below) | 28,197.60 | 26,939.30 |
| Trade receivables - considered doubtful | 2,553.65 | 800.02 |
| Trade receivables (gross) | 30,751.25 | 27,739.32 |
| Less: Impairment allowance for trade receivables considered doubtful | (2,553.65) | (800.02) |
| Total | 28,197.60 | 26,939.30 |

Notes :

- No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person.
- Trade receivables are usually non-interest bearing and are on trade terms of 0 - 60 days.
- For trade receivables, the Group has applied the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

d. Movement in the expected credit loss allowance:

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Balance at the beginning of the year | 800.02 | 1,557.95 |
| Charge / (reversal) in allowance during the year (net) | 1,753.63 | (757.93) |
| Balance at the end of the year | 2,553.65 | 800.02 |

e. Refer note no. 50 for information about credit and market risk of trade receivables.

f. Realization from trade receivables held by Group are subject to hypothecation by bankers towards working capital limits obtained by the Group.

g. Below is the ageing analysis of trade receivables:

| As on March 31, 2023 | | (₹ in Lakhs) | | | | | |
|--|--|-----------------------|----------------------|---------------|--------------|----------------------|------------------|
| Particulars | Outstanding for following periods from due date of payment | | | | | | |
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | more than 3 years | Total |
| (i) Undisputed trade receivables | | | | | | | |
| - considered good | 9,819.90 | 18,164.40 | 114.68 | 71.44 | 5.84 | 21.34 | 28,197.60 |
| - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (ii) Disputed trade receivables | | | | | | | |
| - considered good | - | - | - | - | - | - | - |
| - which have significant increase in credit risk | - | 284.52 | 463.80 | 701.93 | 83.86 | 1,019.54 | 2,553.65 |
| Total | 9,819.90 | 18,448.92 | 578.48 | 773.37 | 89.70 | 1,040.88 | 30,751.25 |

| As on March 31, 2022 | | (₹ in Lakhs) | | | | | |
|--|--|-----------------------|----------------------|---------------|---------------|----------------------|------------------|
| Particulars | Outstanding for following periods from due date of payment | | | | | | |
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | more than 3 years | Total |
| (i) Undisputed trade receivables | | | | | | | |
| - considered good | 14,289.28 | 12,407.13 | 190.67 | 17.59 | 2.97 | 28.86 | 26,936.50 |
| - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (ii) Disputed trade receivables | | | | | | | |
| - considered good | - | - | - | 2.80 | - | - | 2.80 |
| - which have significant increase in credit risk | - | 38.29 | 76.03 | 241.88 | 175.13 | 268.69 | 800.02 |
| Total | 14,289.28 | 12,445.42 | 266.70 | 262.27 | 178.10 | 297.55 | 27,739.32 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 16 : CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Balance Sheet as follows:

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Balance with banks : | | |
| Current accounts | 4,072.18 | 3,126.46 |
| Fixed deposits account with an original maturity of less than three months | 141.76 | 933.87 |
| Cash on hand | 13.11 | 20.95 |
| Total | 4,227.05 | 4,081.28 |

Notes:

- There are no restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior years.
- Cash balances with bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of one to three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

NOTE 17 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Deposits having original maturity more than 3 months but less than 12 months | 26.65 | 31.58 |
| Total | 26.65 | 31.58 |

Note: Other bank balances represents fixed deposits with banks.

NOTE 18 : LOANS (CURRENT)

| Particulars | (₹ in Lakhs) | |
|-------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (Unsecured, considered good) | | |
| (At amortised cost) | | |
| Loans to employees | 67.05 | 57.36 |
| Inter-corporate deposits | - | 500.00 |
| Total | 67.05 | 557.36 |

Note: In the above no loans or advances are granted to promoters, directors, KMPs and related parties.

NOTE 19 : OTHER FINANCIAL ASSETS (CURRENT)

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (Unsecured, considered good) | | |
| Interest accrued but not due on deposits with Banks, bonds and debentures | 7.83 | 1,983.18 |
| Insurance claim receivable | 0.22 | 0.11 |
| Other Receivables | - | 6.00 |
| Rodtep incentive receivable | 14.71 | 1.59 |
| Other loans and advances (refer note below) | 77.22 | 643.35 |
| Total | 99.98 | 2,634.23 |

Note: Other loans & advances comprise of advances to staff for expenses and advances to other parties etc.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 20 : OTHER CURRENT ASSETS

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| (Unsecured, considered good) | | |
| Advance to contractors/suppliers | 1,874.32 | 1,425.74 |
| Balances with Statutory/Government authorities: | | |
| - Excise & Custom | 250.80 | 13.58 |
| - GST | 2,804.17 | 1,046.54 |
| - VAT/Sales Tax | 488.11 | 742.08 |
| Prepaid expenses (refer note (a)) | 625.29 | 490.89 |
| Lease equalisation | 68.24 | 66.33 |
| Other loans and advances | 123.97 | 70.68 |
| Right to recover return goods (refer note (b)) | 146.12 | 166.14 |
| Total | 6,381.02 | 4,021.98 |

Notes:

- Prepaid expenses includes amount of ₹ 47 Lakhs towards amount available for set off in pursuant of sub-rule(3) of rule 7 of the Companies (Corporate social responsibility policy) rules, 2014 (refer note no. 58).
- In certain cases, the Company provides its customers right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled.

The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, the Company recognises Liability for expected sales return, a receivables on expected sales return (and corresponding adjustment to change in inventory is also recognised for the receivables on expected sales return from a customer).

NOTE 21 : EQUITY SHARE CAPITAL

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| (a) Authorised share capital: | | |
| 20,00,00,000 fully paid equity shares of ₹ 5 /- each | 10,000.00 | 4,401.05 |
| (March 31, 2022 : 8,80,21,000 fully paid equity shares of ₹ 5 /- each) | | |
| | 10,000.00 | 4,401.05 |
| Issued, subscribed & paid up share capital: | | |
| 9,75,65,616 fully paid equity shares of ₹ 5 /- each | 4,878.28 | 2,439.14 |
| (March 31, 2022 : 4,87,82,808 equity shares of ₹ 5 /- each) | | |
| Total | 4,878.28 | 2,439.14 |

(b) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | Number of shares | ₹ in Lakhs | Number of shares | ₹ in Lakhs |
| At the beginning of the year | 4,87,82,808 | 2,439.14 | 4,87,82,808 | 2,439.14 |
| Bonus shares issued during the year (refer note no. 21(e)) | 4,87,82,808 | 2,439.14 | - | - |
| Outstanding at the end of the year | 9,75,65,616 | 4,878.28 | 4,87,82,808 | 2,439.14 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(c) Terms and rights attached to equity shares

The Holding Company has one class of equity shares having a par value of ₹ 5/- per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity Shareholders are eligible to receive the remaining assets of the Holding Company in proportion of their shareholding.

(d) Details of shareholders holding more than 5% shares in the Holding Company

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---------------------------------|----------------------|--------------|----------------------|--------------|
| | Number of shares | % of holding | Number of shares | % of holding |
| Sh. Rahul Gautam | 1,24,18,970 | 12.73% | 62,09,485 | 12.73% |
| Smt. Namita Gautam | 1,14,31,758 | 11.72% | 57,15,879 | 11.72% |
| Sh. Tushaar Gautam | 3,41,72,628 | 35.03% | 1,70,86,314 | 35.03% |
| Rangoli Resorts Private Limited | 1,31,50,818 | 13.47% | 65,63,391 | 13.45% |
| SBI Magnum Midcap Fund | 84,70,282 | 8.68% | 43,84,301 | 8.99% |
| Kotak Emerging Equity Scheme | 63,00,647 | 6.46% | 30,84,942 | 6.32% |
| DSP Midcap Fund | 43,11,428 | 4.42% | 24,38,196 | 5.00% |

(e) Aggregate number and class of shares allotted as fully paid up by way of bonus shares

During the year 4,87,82,808 fully paid up equity shares of ₹ 5/- each, were allotted by way of bonus shares to all the shareholders in the ratio of 1:1.

(f) Shareholding of promoters & promoter group

| Shares held by promoters at the end of the year | As at March 31, 2023 | | | As at March 31, 2022 | | |
|---|----------------------|---------------|--------------------------|----------------------|---------------|--------------------------|
| | Number of shares | % of holding | % Change during the year | Number of shares | % of holding | % Change during the year |
| Sh. Rahul Gautam | 1,24,18,970 | 12.73% | - | 62,09,485 | 12.73% | - |
| Smt. Namita Gautam | 1,14,31,758 | 11.72% | - | 57,15,879 | 11.72% | - |
| Sh. Tushaar Gautam | 3,41,72,628 | 35.03% | - | 1,70,86,314 | 35.03% | - |
| Rangoli Resorts Private Limited | 1,31,50,818 | 13.47% | 0.02% | 65,63,391 | 13.45% | - |
| Core Mouldings Private Limited | - | - | -0.02% | 12,018 | 0.02% | - |
| Total | | 72.95% | | | 72.95% | |

(g) No class of shares have been issued as bonus shares or for consideration other than cash by the Holding Company during the period of five years immediately preceding the current year end. However, certain bonus shares has been issued during the year, refer (e) above.

NOTE 22 : OTHER EQUITY

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| Capital reserve (refer note (a) below) | 67.05 | 395.62 |
| General reserve (refer note (b) below) | - | 1,716.27 |
| Retained earnings | 150,763.76 | 131,331.19 |
| Other comprehensive income | - | 423.97 |
| Cash flow hedge reserve (refer note (c) below) | (260.25) | - |
| Foreign currency translation reserve (refer note (d) below) | 4,526.94 | 2,879.86 |
| Capital Subsidy | 63.40 | 70.57 |
| Total | 1,55,160.90 | 1,36,817.48 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Capital reserve | | |
| Opening balance | 395.62 | 2,364.58 |
| Foreign exchange gain/(loss) on reserve | - | (1,968.96) |
| Bonus Shares issued during the year | (328.57) | - |
| Closing balance | 67.05 | 395.62 |
| General Reserve | | |
| Opening balance | 1,716.27 | 1,716.27 |
| Bonus Shares issued during the year | (1,716.27) | - |
| Closing balance | - | 1,716.27 |
| Retained earnings | | |
| Opening balance | 1,31,331.19 | 1,10,120.96 |
| Net profit for the year | 20,115.67 | 21,732.97 |
| Bonus shares issued during the year | (394.30) | - |
| Expenses towards increase in authorised capital | (50.39) | - |
| Dividend paid to non-controlling interest | (103.00) | (146.02) |
| Remeasurements of the net defined benefit plans (net of tax) | (135.57) | (377.42) |
| Other adjustments | 0.16 | 0.70 |
| Closing balance | 1,50,763.76 | 1,31,331.19 |
| Other Comprehensive Income | | |
| Opening balance | 423.97 | 181.59 |
| Fair value gain/(loss) on debt instruments (net of tax) | - | 242.38 |
| Realised gain from debt instruments transferred to profit and loss (net of tax) | (423.97) | - |
| Closing balance | - | 423.97 |
| Cash flow hedge reserve | | |
| Opening balance | - | - |
| Loss on cash flow hedge reserve (net of tax) | (260.25) | - |
| Closing balance | (260.25) | - |
| Foreign currency translation reserve | | |
| Opening balance | 2,879.86 | 1,549.57 |
| Exchange gain on translation (net) during the year | 1,647.08 | 1,330.29 |
| Closing balance | 4,526.94 | 2,879.86 |
| Capital Subsidy | | |
| Opening balance | 70.57 | 56.98 |
| Receipts during the year | - | 13.59 |
| Amortizations/repayments | (7.17) | - |
| Closing balance | 63.40 | 70.57 |

Notes:

(a) Capital reserve

During amalgamation of the subsidiaries in the year 2012-13, the excess of net assets taken, over the cost of consideration paid was treated as capital reserve. During the year, Holding Company had issued bonus share in the ratio of 1:1 out of capital reserve of ₹ 328.57 Lakhs.

(b) General reserve

The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. During the year, Company had issued bonus share in the ratio of 1:1 out of general reserve of ₹ 1,716.27 Lakhs.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(c) Cash flow hedge reserve

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated under the heading of cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss.

(d) Foreign currency translation reserve

The amount represents reserve arising from gain/loss on translation of the financial statements of foreign subsidiaries in the presentation currency of the Holding Company.

NOTE 23 : NON CURRENT BORROWINGS

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Secured | | |
| Term loan from banks | | |
| - INR bank loan | 4,072.83 | 352.68 |
| - USD bank loan | 5,802.25 | 7,247.32 |
| - AUD term loan | 6,045.95 | 5,368.35 |
| - EURO term loan | 12,459.60 | 9,767.62 |
| | 28,380.63 | 22,735.97 |
| Unsecured | | |
| Loan from financial credit institutions | - | 82.21 |
| | - | 82.21 |
| Total | 28,380.63 | 22,818.18 |

Notes:

- INR & USD Term loans taken by International Comfort Technologies Private Limited from JP Morgan chase bank, N.A, India & Kotak Mahindra Bank respectively for purchase of capital equipments for its Nandigram & towards construction of Mandla (Jabalpur) manufacturing facilities and has been secured by hypothecation of first charge on entire fixed assets (Movable fixed assets and immovable fixed assets).
- INR Term Loan taken by International Comfort Technologies Private Limited carries interest to be charged on loan linked to 1.37% over 3M T- Bill. Rates as applicable on the date of agreement shall be revised at interval of every 3 months. The loan is repayable in 16 equal installments with in 5 years of disbursement considering 1 year of moratorium period from the first disbursement.
- USD Term Loan taken by International Comfort Technologies Private Limited carries interest of 2.25% p.a. and is repayable in 16 equal installments with in 5 years of disbursement considering 1 year of moratorium period from the first disbursement.
- EURO Term Loan from Citi Bank is taken by International Foam Technologies Spain S.L based on Stand by Letter of Credit from Citi Bank, India secured by exclusive charge on certain fixed assets of the Holding Company.

The term loan carry the arithmetic sum of the reference Interest rate viz. 3 month EURIBOR communicated by the bank for the period and accepted by the borrower. The principal amount of Loan will be repaid by the Company in 20 quarterly equated installments as per predefined schedule and with first installment started from October, 2020 and last installment due in October, 2025.

- AUD Term Loan from Citi Bank, Australia is taken by Joyce Foam PTY Ltd. secured by a first registered mortgage over the freehold property and by a fixed and floating charge over all the assets and undertaking of the consolidated group including plant & machinery. The term loans carry an interest rate which is aggregate of the applicable Margin and BBSY Bid communicated by the bank for the interest period and accepted by the borrower. The principal amount of the loan will be repaid in 60 monthly installments as per predefined schedule with the first installement started from July 2021 and the last installments due in June 2026. The facility agreement with Citi Bank requires the following covenants to be maintained at a group and a company level mention below:

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

- i. Gross Leverage ratio (Group) less than 2.5
- ii. Debt Service Coverage Ratio (Group) greater than 1.4
- iii. Debt to Tangible Net Worth (Group) less than 2.0
- iv. Fixed Asset Coverage Ratio (Company) greater than 1.25

As at the end of the reporting period, the above ratios has been complied with.

- f. Purpose of loan and its utilization:

| Particulars of loan | Purpose (as per Loan Agreement) | Whether used for the purpose stated in the loan Agreement | If no, mention the purpose for which it is utilised |
|---------------------------|---|---|---|
| JP Morgan (INR Loan) | The facility shall be used by the borrower towards Capex at their new plants in Nandigram and Jabalpur. | Yes | Not Applicable |
| Kotak Mahindra (USD Loan) | For capex at Maneri, Medhi Niwas, Jabalpur, Madhya Pradesh and Nandigram, Umbergaon, Valsad, Gujarat. | Yes | Not Applicable |
| Citi Bank (EURO Loan) | The purpose of the loan is the acquisition of the shares of the target company. | Yes | Not Applicable |
| Citi Bank (AUD Loan) | The facility shall be used for capital expenditure for acquisition of Plant , Machinery and equipment. | Yes | Not Applicable |

- g. Repayment schedule for secured loan taken during the year:

| Particulars | Citi Bank, Spain (AUD Loan) | Citi Bank, Spain (EURO Loan) | JP Morgan, India (INR loan) | Kotak Mahindra , India (USD Loan) |
|---|-----------------------------|------------------------------|-----------------------------|-----------------------------------|
| Number of installments due (Nos) | 39 | 10 | 16 | 16 |
| Frequency of Installments | Monthly | Quarterly | Quarterly | Quarterly |
| Rate of Interest (%) | BBSY+ Applicable Margin | 3 Month EURIBOR | 1.37% over 3M T- Bill rates | 2.25% |
| Within one year (₹ in Lakhs) (refer note no. 29) | 1,886.50 | 5,960.88 | 1,357.61 | 1,934.08 |
| After one year but not more than 5 years (₹ in Lakhs) | 6,045.95 | 12,459.60 | 4,072.83 | 5,802.25 |
| More than 5 years (₹ in Lakhs) | - | - | - | - |

- h. During previous financial year, ₹ 82.21 Lakhs obtained from various financials credit institutions. These unsecured loans carried interest rate 0.90%.

NOTE 24 : LEASE LIABILITIES

(₹ in Lakhs)

| Particulars | As at | As at |
|---------------------------------------|------------------|------------------|
| | March 31, 2023 | March 31, 2022 |
| Lease liabilities (refer note no. 47) | 10,347.47 | 12,870.97 |
| Total | 10,347.47 | 12,870.97 |
| Current | 1,598.40 | 2,306.18 |
| Non current | 8,749.07 | 10,564.79 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 25 : OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------------|-------------------------|-------------------------|
| Deposits from dealers and others | 2,528.16 | 4,941.19 |
| Unearned Interest Income on Deposits | - | 66.00 |
| Unearned Rent Income | 20.00 | 26.89 |
| Others | 45.80 | - |
| Total | 2,593.96 | 5,034.08 |

NOTE 26 : PROVISIONS

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Long term provisions: | | |
| Provision for employee benefits: | | |
| - Compensated absences | 671.82 | 1,592.91 |
| - Gratuity | 149.04 | 101.37 |
| Other provisions: | | |
| - Provision for warranty (refer note below) | 483.33 | 238.31 |
| Total | 1,304.19 | 1,932.59 |
| Short term provisions: | | |
| Provision for employee benefits: | | |
| - Compensated absences | 968.96 | 9.93 |
| - Gratuity | 441.90 | 605.18 |
| Other provisions: | | |
| - Provision for warranty (refer note below) | 639.89 | 441.02 |
| Total | 2,050.75 | 1,056.13 |

Note:

Provision for warranty:

Provision is recognised for expected warranty claims on mattresses sold, based on past experience of the level of returns and in accordance with the Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'. Assumptions used for the said provision are sales return trend based on past warranty sales. The table below gives information about movement in warranty provision:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------|-------------------------|-------------------------|
| At the beginning of the year | 679.33 | 622.07 |
| Add : Created during the year | 1,175.79 | 983.10 |
| Less : Utilised during the year | (731.90) | (925.84) |
| At the end of the year | 1,123.22 | 679.33 |

NOTE 27 : OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|------------------------|-------------------------|-------------------------|
| Deferred capital grant | 19.85 | 22.70 |
| Total | 19.85 | 22.70 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

The table below gives information about movement in deferred capital grant:

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| At the beginning of the year | 25.52 | 28.36 |
| Less : Realised to statement of profit and loss | 2.84 | 2.84 |
| At the end of the year | 22.68 | 25.52 |
| Non Current | 19.85 | 22.70 |
| Current | 2.84 | 2.82 |

NOTE 28 : DEFERRED TAX LIABILITIES

| Particulars | (₹ in Lakhs) | |
|--------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Deferred tax liabilities | 831.69 | 966.99 |
| Total | 831.69 | 966.99 |

Movement of deferred tax liabilities

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Deferred tax liabilities in relation to | | |
| Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting purposes | 586.13 | 322.72 |
| Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis | (109.58) | (289.83) |
| Fair value gain/(loss) on financial instruments at fair value through statement of profit & loss (net) | 220.35 | 62.48 |
| Remeasurements gain/(loss) of the net defined benefit plans | (41.59) | - |
| MTM loss on forward currency swap contract | (420.32) | - |
| Lease Liabilities (net) | 17.69 | 387.94 |
| Others | 579.01 | 483.68 |
| Total | 831.69 | 966.99 |

NOTE 29 : BORROWINGS (CURRENT)

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Secured | | |
| Term loan from banks | | |
| - INR bank loan | 1,357.61 | - |
| - USD bank loan | 1,934.08 | - |
| - AUD term loan | 1,886.50 | 1,337.17 |
| - EURO term loan | 5,960.88 | 2,800.61 |
| Working capital loans from banks (refer note (a)) | 1,925.80 | - |
| | 13,064.87 | 4,137.78 |
| Unsecured | | |
| Loan from financial credit institutions (refer note (b)) | 5,315.56 | 6,703.47 |
| Loan and advances from others (refer note (c)) | - | 116.07 |
| | 5,315.56 | 6,819.54 |
| Total | 18,380.43 | 10,957.32 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Notes:

- The Joyce Foam PTY Ltd., Australia has taken working capital facility to meet day to day funds requirement with interest rate for this facility @ 5.64% approx (refer note no. 54 for assets pledged as security).
- The Interplasp S.L, Spain has taken discounting and foreign trade facilities to meet day to day working capital requirement with interest rate for these facilities ranging from 0.90% to 1.10% (March 31, 2022 : 0.70% to 1.35%).
- Loan and advances from others carries interest charged equated to the lender's cost of borrowing plus a margin that does not exceed the cost charged by the Bank.

NOTE 30 : TRADE PAYABLES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Trade payables other than acceptances: | | |
| (i) Total outstanding dues of micro enterprises and small enterprises (refer note no. 57) | 722.01 | 506.29 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 25,219.37 | 28,036.46 |
| Total | 25,941.38 | 28,542.75 |

Notes:

- Trade payables for micro and small enterprises are non interest bearing and are normally settled on 7 days to 30 days credit terms.
- Trade payables other than micro and small enterprises are non interest bearing and are normally settled on 60 days to 90 days credit terms.
- Ageing Analysis for Trade payables:

As on March 31, 2023

(₹ in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|------------------|------------------|--------------|-------------|-------------------|------------------|
| | Unbilled Dues | Payables not due | Less than 1 Year | 1-2 years | 2-3 years | more than 3 years | |
| (i) MSME | - | 719.70 | 2.31 | - | - | - | 722.01 |
| (ii) Others | 1,216.98 | 17,815.64 | 6,167.64 | 18.63 | 0.48 | - | 25,219.37 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total | 1,216.98 | 18,535.34 | 6,169.95 | 18.63 | 0.48 | - | 25,941.38 |

As on March 31, 2022

(₹ in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|------------------|------------------|-------------|-------------|-------------------|------------------|
| | Unbilled Dues | Payables not due | Less than 1 year | 1-2 years | 2-3 years | more than 3 years | |
| (i) MSME | - | 505.27 | 1.02 | - | - | - | 506.29 |
| (ii) Others | 4,864.84 | 17,542.68 | 5624.77 | 0.68 | 3.49 | - | 28,036.46 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total | 4,864.84 | 18,047.95 | 5625.79 | 0.68 | 3.49 | - | 28,542.75 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 31 : OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Deposits from dealers and others | 6,283.61 | 3,996.74 |
| Book overdraft | - | 26.77 |
| Creditors for capital goods | 587.55 | 270.24 |
| Liability against foreign currency swap contracts | 2,268.27 | - |
| Interest accrued but not due on borrowings | 16.01 | - |
| Other liabilities | 8.17 | 37.99 |
| Unearned Interest Income | - | 63.99 |
| Unearned Rent Income | 6.89 | 6.87 |
| Total | 9,170.50 | 4,402.60 |

NOTE 32 : CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Provision for income tax (Net of advance tax of ₹ 67 lakhs) | 117.14 | - |
| Total | 117.14 | - |

NOTE 33 : OTHER CURRENT LIABILITIES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Refund liabilities | 235.95 | 265.82 |
| Deferred capital grant (refer note (a)) | 2.84 | 2.82 |
| Contract liabilities (refer note (b)) | 3,774.66 | 3,538.82 |
| Statutory dues payable | 2,390.84 | 1,813.70 |
| Employees & other Liabilities (refer note (c)) | 4,672.01 | 2,081.86 |
| Total | 11,076.30 | 7,703.02 |

Notes :

- Refer note no. 27 for the movement in deferred capital grant.
- Consists of advances received from customers towards supply of products.
- Consists of liabilities pertaining to employees of ₹ 2,229.60 Lakhs (March 31, 2022: ₹ 2,322.80 Lakhs).

NOTE 34 : REVENUE FROM OPERATIONS

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Sale of products | 2,86,011.15 | 2,85,755.17 |
| Sale of services | 825.13 | 610.08 |
| | 2,86,836.28 | 2,86,365.25 |
| Other operating revenue | | |
| - Job Work Services | - | 4.25 |
| - Rodtep scheme subsidy | 13.68 | 10.70 |
| - Income from sale of processed scrap | 482.13 | 177.64 |
| Total | 2,87,332.09 | 2,86,557.84 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Reclassifications and comparative figures:-

Certain reclassifications have been made to the comparative year's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been reclassified in the statement of profit and loss, the details of which are as under:

Items of Statement of Profit and Loss before and after reclassification for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars | Amount before reclassification | Reclassification | Amount after reclassification |
|----------------------------|--------------------------------|------------------|-------------------------------|
| Revenue from operations | 2,98,180.84 | (11,623.00) | 2,86,557.84 |
| Cost of materials consumed | 1,79,850.03 | 3,475.00 | 1,83,325.03 |
| Employee benefits expense | 25,768.82 | (221.25) | 25,547.57 |
| Other expenses | 50,462.64 | (14,876.75) | 35,585.89 |

NOTE 34.1 : DISAGGREGATED REVENUE INFORMATION

Set out below is the disaggregation of the Group's revenue from contracts with customers:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|-----------------------------------|-----------------------------------|
| Geographical Revenue | | |
| Type of goods | | |
| Revenue from external customers | 2,86,011.15 | 2,85,755.17 |
| Total revenue from contracts with customers | | |
| India | 1,98,852.01 | 1,95,001.30 |
| Outside India | 87,159.14 | 90,753.87 |
| | 2,86,011.15 | 2,85,755.17 |
| Type of services (IT Support Services) | | |
| Revenue from external customers | 825.13 | 610.08 |
| Total revenue from contracts with customers | | |
| India | 450.15 | 297.64 |
| Outside India | 374.98 | 312.44 |
| | 825.13 | 610.08 |
| Total revenue from contracts with customers | 2,86,836.28 | 2,86,365.25 |

NOTE 34.2 : CONTRACT BALANCES

The following table provides information about receivables and contract liabilities from contract with customers:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Contract Liabilities | | |
| Advance from customers (refer note no. 33) | 3,774.66 | 3,538.82 |
| Receivables | | |
| Trade Receivables (refer note no. 15) | 28,197.60 | 26,939.30 |

Note:

Receivables is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customers in advance.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 34.3 : RECONCILING THE AMOUNT OF REVENUE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS WITH THE CONTRACTED PRICE

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Revenue as per contracted price (goods and services) | 3,07,616.84 | 3,03,349.28 |
| Less: Adjustments | | |
| Sales return | 1,118.38 | 1,260.72 |
| Rebate and discount | 19,662.18 | 15,723.31 |
| Revenue from contracts with customers | 2,86,836.28 | 2,86,365.25 |

NOTE 34.4 : PERFORMANCE OBLIGATIONS

The performance obligation for sale of product is considered as fulfilled according to the terms agreed with the respective customer. The performance obligation for sale of services is satisfied over the period of time as per contract with customers.

NOTE 35 : OTHER INCOME

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Interest income from: | | |
| Financial assets at amortised cost | | |
| Bank deposits | 16.01 | 7.67 |
| Inter-corporate-deposit | 28.48 | 45.00 |
| Currency swap forward contract | 335.17 | - |
| Security deposits | 2.23 | - |
| Others | 107.22 | 3.62 |
| Financial assets at fair value | | |
| Bonds | 2,646.85 | 3,713.11 |
| Unwinding of discount of deposits & lease receivable | 140.14 | - |
| Income tax refund | 176.37 | - |
| Other non operating income | | |
| Rental income (refer note (a)) | 1,256.62 | 1,138.54 |
| Gain on sale/disposal of fixed assets | 48.72 | - |
| Liabilities/provisions no longer required written back | 12.15 | 59.43 |
| Income from sale of Investments | 1,868.80 | 1,228.48 |
| Fair valuation adjustments of Investments through profit and loss (refer note (b)) | 899.08 | 13.77 |
| Subsidy income | 2.84 | 2.84 |
| Grant income | 34.59 | 134.70 |
| Sale of non-processed scrap | 675.79 | 578.69 |
| Net gain on foreign currency transactions and translations | 187.91 | 749.67 |
| Other miscellaneous income | 211.15 | 240.80 |
| Total | 8,650.12 | 7,916.32 |

Notes:

- Includes rental income of ₹ 216.63 Lakhs (March 31, 2022: ₹ 214.73 Lakhs) from Investment property (refer note no. 5).
- FVTPL of Investments represent fair valuation changes in mutual funds which includes dividend declared and not distributed (distributed based on record dates) as at reporting dates which have not been recognised in financial statements.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 36 : COST OF MATERIALS CONSUMED

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Raw material | | |
| Opening inventory | 19,393.37 | 16,296.05 |
| Add: Purchases | 1,58,835.62 | 1,83,309.17 |
| Less: Sales/adjustments | (4,255.46) | (4,445.35) |
| Less: Closing inventory (including goods in transit of ₹ 1913.61 Lakhs (March 31, 2022: ₹ 2,975.91 Lakhs) | (19,894.13) | (19,393.37) |
| Raw materials consumed | 1,54,079.40 | 1,75,766.50 |
| Packing Material | | |
| Opening inventory | 894.79 | 648.24 |
| Add: Purchases | 8,018.11 | 8,570.16 |
| Less: Sales/adjustments | (527.99) | (765.08) |
| Less: Closing inventory (including goods in transit of ₹ 40.68 Lakhs (March 31, 2022: ₹ 54.88 Lakhs) | (633.88) | (894.79) |
| Packing materials consumed | 7,751.03 | 7,558.53 |
| Cost of materials consumed | 1,61,830.43 | 1,83,325.03 |

NOTE 37 : PURCHASE OF STOCK-IN-TRADE

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Traded Goods -Bed sheets/comforters/PU foam/spring/coir mattresses | 18,063.14 | 5,353.84 |
| Total | 18,063.14 | 5,353.84 |

NOTE 38 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Closing stock: | | |
| Finished goods | 3,429.56 | 4,016.91 |
| Stock-in-trade | 2,590.31 | 840.21 |
| Work-in-progress | 5,397.21 | 5,331.22 |
| Right to recover return goods | 146.12 | 166.14 |
| | 11,563.20 | 10,354.48 |
| Opening stock: | | |
| Finished goods | 4,016.91 | 3,017.25 |
| Stock-in-trade | 840.21 | 138.23 |
| Work-in-progress | 5,331.22 | 6,221.22 |
| Right to recover return goods | 166.14 | - |
| | 10,354.48 | 9,376.70 |
| Changes in Inventories of finished goods, stock-in-trade and work-in-progress | (1,208.72) | (977.78) |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 39 : OTHER MANUFACTURING EXPENSES

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|------------------------------|--------------------------------------|--------------------------------------|
| Power and fuel | 1,731.44 | 1,568.18 |
| Repair and maintenance: | | |
| - Buildings | 241.33 | 173.56 |
| - Plant and equipment | 2,139.02 | 1,900.41 |
| Processing and other charges | 2,652.94 | 2,586.54 |
| Total | 6,764.73 | 6,228.69 |

NOTE 40 : EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Salaries, wages, allowance, and other benefits | 24,839.81 | 22,702.21 |
| Contribution to gratuity (refer note no. 45) | 307.94 | 185.39 |
| Contribution to provident and other funds | 1,502.64 | 1,405.60 |
| Workmen and staff welfare expenses | 1,325.48 | 1,254.37 |
| | 27,975.87 | 25,547.57 |
| Less: Transfer to Capital work-in-progress / Capitalised | 60.54 | - |
| Total | 27,915.33 | 25,547.57 |

NOTE 41 : FINANCE COSTS

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Interest expense (on financial liabilities measured at amortised cost): | | |
| - On borrowings from banks | 1,171.85 | 297.91 |
| - Security deposits | 526.92 | 523.06 |
| - On lease liabilities | 464.48 | 557.25 |
| - Others | 111.58 | 131.68 |
| Bank Charges | 87.16 | 199.44 |
| | 2,361.99 | 1,709.34 |
| Less: Transfer to Capital work-in-progress / Capitalised | 254.92 | 12.03 |
| Total | 2,107.07 | 1,697.31 |

NOTE 42 : DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Depreciation on property, plant and equipment (refer note no. 3) | 5,750.35 | 4,835.17 |
| Depreciation on right-of-use assets (refer note no. 4) | 2,932.19 | 2,954.06 |
| Amortisation of intangible assets (refer note no. 5) | 1.59 | 0.14 |
| Depreciation on investment property (refer note no. 6) | 278.30 | 288.36 |
| Total | 8,962.43 | 8,077.73 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 43 : OTHER EXPENSES

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Freight and forwarding | 13,660.00 | 12,900.42 |
| Rent and hire | 833.94 | 620.70 |
| Insurance | 1,537.60 | 1,247.87 |
| Rates and taxes | 417.44 | 356.72 |
| Legal and professional | 1,616.93 | 1,393.48 |
| Other Maintenance | 1,329.29 | 1,007.08 |
| Selling and promotion | 7,639.87 | 4,301.99 |
| Travelling and conveyance | 1,743.26 | 957.73 |
| Advertisement | 7,452.27 | 7,044.42 |
| Warranty | 1,175.79 | 970.42 |
| Net Loss on foreign currency forward contracts | 1,322.29 | - |
| Contribution towards corporate social responsibility expenditure (refer note no. 58) | 476.02 | 457.53 |
| Net loss on foreign currency transactions and translations | 441.08 | 256.93 |
| IT Support services | 218.13 | 221.25 |
| Bad debts | 510.60 | 15.16 |
| Provision for Bad debts | 360.20 | 5.07 |
| Advances/Balances written off | - | 34.18 |
| Fair value loss on Investments designated through profit and loss | - | 382.97 |
| Loss on sale/disposal of fixed assets | - | 28.16 |
| Miscellaneous | 3,695.10 | 3,494.52 |
| | 44,429.81 | 35,696.60 |
| Less: Transfer to Capital work-in-progress / Capitalised | 190.29 | 110.71 |
| Total | 44,239.52 | 35,585.89 |

NOTE 43.1 : AUDITOR'S REMUNERATION INCLUDED IN LEGAL AND PROFESSIONAL (EXCLUDING GST)

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Statutory audit (including limited review)* | 38.00 | 41.00 |
| Certification* | 2.75 | 2.00 |
| Out of pocket expenses* | 1.95 | 1.00 |
| Total | 42.70 | 44.00 |

*Includes ₹ Nil (March 31, 2022 : ₹ 5.43 Lakhs) paid to erstwhile auditors.

NOTE 44 : EARNINGS PER SHARE

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Profit for the year attributable to Equity shareholders | 20,306.22 | 21,872.80 |
| Earnings used in the calculation of basic earnings per share | 20,306.22 | 21,872.80 |
| Earnings used in the calculation of diluted earnings per share | 20,306.22 | 21,872.80 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Numbers in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Weighted average number of equity shares for the purposes of basic and diluted earnings per share | 975.66 | 975.66 |

Note:

The EPS for year ended March 31, 2022 has been adjusted on account of bonus issue made during the year ended March 31, 2023, by Holding Company as required by Ind AS 33 'Earnings per Share'.

(₹ per share)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Basic and diluted earnings per share | 20.81 | 22.42 |

NOTE 45 : EMPLOYEE BENEFITS (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

A. Defined contribution plans

Employees are covered by Provident Fund and Employees State Insurance Scheme/Fund and National Pension Scheme, to which companies makes a defined contribution measured as a fixed percentage of salary. During the year, amount of ₹ 774.14 Lakhs (March 31, 2022: ₹ 696.42 Lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Employer's contribution towards Provident Fund (PF) | 681.92 | 605.11 |
| Employer's contribution towards Employees State Insurance (ESI) | 47.61 | 56.49 |
| Employer's contribution towards National Pension Scheme (NPS) | 44.61 | 34.82 |
| Total (Refer note no. 40) | 774.14 | 696.42 |

B. Long Term Benefit

Long service award

Payable to the eligible employees as retention earned leave, after completion of service of five years, which can be en-cashed or accumulated till retirement. During the year, the Group had discontinued this policy. An amount of ₹ Nil (March 31, 2022: ₹ 146.01 Lakhs) has been charged to the Statement of Profit and Loss towards the said benefit.

C. Post employment benefits

Defined benefit plans

Gratuity

The employees' gratuity fund scheme, which is a defined benefit plan, is managed by a trust with effect from 2019 and is being maintained by SFL Employees gratuity trust. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure on 15 days of last drawn salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

This plan is governed by the Payment of Gratuity Act, 1972, which requires that each employee who has completed 5 years of service shall be entitled to gratuity which is equal to salary of 15 days for each completed year of service.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

The principal assumptions used for the purposes of the actuarial valuations were as follows:

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Discount rate | 7.36% | 7.51% |
| Future salary increase/salary escalation | 7.00% | 7.00% |
| Retirement age (years) | 60 | 60 |
| Mortality Tables | | |
| <i>Employee turnover</i> | | |
| 18 to 30 years | 3.40% | 3.00% |
| From 31 to 45 years | 3.70% | 2.00% |
| Above 45 years | 0.80% | 1.00% |

Notes:

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- Information given for retirement age is based on India's standard mortality table with modification to reflect expected changes in mortality/others.

Quantitative sensitivity analysis for significant assumptions as at March 31, 2023 is shown below:

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Increase / (decrease) on present value of defined benefits obligations at the end of the year | | |
| Discount rate | | |
| Increase by 1.00% | (316.43) | (284.20) |
| Decrease by 1.00% | 360.67 | 331.38 |
| Salary increase | | |
| Increase by 1.00% | 358.37 | 329.76 |
| Decrease by 1.00% | (320.17) | (288.20) |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss, Other Comprehensive Income and the funded status and amounts recognised in the Balance Sheet for the gratuity plan. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Expense recognised in Statement of Profit and Loss and Other Comprehensive Income:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Service cost: | | |
| Current service cost | 241.43 | 178.11 |
| Net interest expense | 66.51 | 7.28 |
| Components of defined benefit costs recognised in profit or loss | 307.94 | 185.39 |
| Remeasurement on the net defined benefit liability: | | |
| Actuarial (gains) / losses arising from changes in financial assumptions | 52.63 | 431.36 |
| Actuarial (gains) / losses arising from changes in demographic assumptions | 1.35 | - |
| Actuarial (gains) / losses arising from experience adjustments | 148.43 | (11.05) |
| Return on Plan Asset | (21.24) | 5.37 |
| Components of defined benefit costs recognised in other comprehensive income | 181.17 | 425.68 |
| Total | 489.11 | 611.07 |

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Present value of funded defined benefit obligation | 3,060.57 | 2,545.11 |
| Fair value of plan assets | (2,469.63) | (1,838.56) |
| Net liability arising from defined benefit obligation (refer note no. 26) | 590.94 | 706.55 |

Movements in the present value of the defined benefit obligation are as follows:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Opening defined benefit obligation | 2,545.11 | 1,874.96 |
| Current service cost | 241.43 | 178.11 |
| Interest cost | 191.14 | 132.73 |
| Remeasurement (gains)/losses: | | |
| Actuarial (gains) / losses arising from changes in financial assumptions | 52.63 | 433.18 |
| Actuarial (gains) / losses arising from changes in demographic assumptions | 1.35 | (12.87) |
| Actuarial (gains) / losses arising from experience adjustments | 148.43 | 18.42 |
| Benefits paid | (119.52) | (79.42) |
| Closing defined benefit obligation | 3,060.57 | 2,545.11 |

Change in plan assets are as follows:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Opening fair value of plan assets | 1,838.56 | 1,850.54 |
| Return on plan assets | 124.63 | 125.46 |
| Employer contribution | 603.04 | 5.00 |
| Actuarial (gain)/loss on Asset | 21.24 | 5.37 |
| Benefits paid | (117.84) | (147.81) |
| Closing fair value of plan assets | 2,469.63 | 1,838.56 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

The major categories of plan assets:

| Particulars | (₹ in Lakhs) | |
|--------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Insurance products | 2,469.63 | 1,838.56 |
| Total | 2,469.63 | 1,838.56 |

Maturity profile of gratuity liability is as follows:

| Particulars | (₹ in Lakhs) | |
|----------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| 0 to 1 year | 127.79 | 54.03 |
| 1 to 2 Year | 108.36 | 45.55 |
| 2 to 3 Year | 135.86 | 57.27 |
| 3 to 4 Year | 159.19 | 117.36 |
| 4 to 5 Year | 128.66 | 154.36 |
| 5 Year onwards | 2,400.71 | 2116.54 |

| | | |
|--|--------|--------|
| Expected contribution to the fund in next year (₹ in Lakhs) | 688.52 | 823.87 |
|--|--------|--------|

Risk exposure

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

a. Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yields. If plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk. A portion of the funds are invested in equity securities. The Group has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Group intends to maintain the above investment mix in the continuing years.

b. Changes in discount rate:

A decrease in discount rate will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's assets holdings.

c. Inflation risks:

Gratuity payments are not linked to inflation, so this is a less material risk.

The Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Group has not changed the processes used to manage its risks from previous periods. The Group uses derivatives to manage some of its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets consists of unit linked group insurance plan which further invests in government and corporate bonds, equities, money market instruments & public deposits. The plan asset mix is in compliance with the requirements of the respective local regulations.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 46 : RELATED PARTY TRANSACTIONS

(A) Names of related parties and nature of relationship are given below :

| Relationship | Name of the party |
|--|---|
| a. Enterprises exercising control (Parent Company) | Sheela Foam Limited |
| b. Entities in which Key Management Personnel or their Relatives have significance influence | Rangoli Resorts Private Limited |
| | Core Moulding Private Limited (Merged with Rangoli Resorts Private Limited W.e.f 30.03.2022) |
| | Sleepwell Foundation (Trust) |
| c. Key management personnel (Executive Directors) | Mr. Rahul Gautam |
| | Mrs. Namita Gautam |
| | Mr. Tushaar Gautam |
| | Mr. Rakesh Chahar |
| | Mr. Kevin Graham |
| | Mr. Rajiv Dhar |
| | Mr. D. Alejandro Juan Palao Serrano |

(B) Disclosure of transactions between the Group and related parties during the year:

| Particulars | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| (i) Sale of material/ capital goods | | |
| Related entities | | |
| Sleepwell Foundation (Trust) | 0.18 | 0.36 |
| | 0.18 | 0.36 |
| (ii) Key management personnel | | |
| Compensation of Key management personnel | | |
| Short-term Employee Benefits | 1,431.86 | 1,419.73 |
| Post Employment Benefits | 25.19 | 13.56 |
| | 1,457.05 | 1,433.29 |
| (iii) Contributions for CSR expenses | | |
| Sleepwell Foundation (Trust) | 275.00 | 315.00 |
| | 275.00 | 315.00 |

(C) Disclosure of balances outstanding at the end of the reporting year:

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Post employee benefit plan for the benefitted employees | | |
| SFL Employee Gratuity Trust | 439.04 | 603.04 |
| Payable to key managerial personnel | 693.06 | 748.02 |

NOTE 47 : DISCLOSURES AS PER IND AS 116 'LEASES'

(A) Group as lessee

(i) The Group's significant leasing arrangements are in respect of the following assets:

The Group has lease of land and buildings for offices, warehouses and service centers. Right-of-use Assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The lease terms for leasehold buildings ranges between 3 years to 10 years.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(ii) The carrying amounts of lease liabilities and the movements during the year:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Opening Liabilities | 12,870.97 | 12,860.24 |
| Additions | 40.54 | 2,490.99 |
| Accretion of interest | 464.48 | 557.25 |
| Repayment of Lease liabilities | (2,821.38) | (2,445.30) |
| Cancellation / adjustments | (207.14) | (592.21) |
| Closing liabilities | 10,347.47 | 12,870.97 |
| Current | 1,598.40 | 2,306.18 |
| Non current | 8,749.07 | 10,564.79 |
| | 10,347.47 | 12,870.97 |

(iii) Maturity analysis of the lease liabilities:

(₹ in Lakhs)

| Contractual undiscounted cash flows | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| 3 months or less | 554.21 | 765.50 |
| 3-12 months | 1,459.28 | 2,380.51 |
| 1-2 years | 1,575.74 | 2,335.75 |
| 2-5 years | 3,086.61 | 4,406.38 |
| More than 5 years | 7,568.82 | 7,906.67 |
| Total undiscounted lease liability | 14,244.66 | 17,794.81 |
| Less: Impact of discounting and other adjustments | 3,897.19 | 4,923.84 |
| Lease liabilities | 10,347.47 | 12,870.97 |

(iv) The following are the amounts recognised in the Statement of Profit and Loss:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Finance cost | 464.48 | 557.25 |
| Depreciation and amortisation expense | 2,932.19 | 2,954.06 |
| Expenses relating to short term leases | 833.94 | 620.70 |

(v) The following are the amounts disclosed in the Statement of Cash Flows:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--------------------------|--------------------------------------|--------------------------------------|
| Cash outflow from leases | 2,821.38 | 2,445.30 |

(vi) There are no variable lease payments considered in the initial measurement of the lease liability and asset.

(vii) Extension and termination options held are exercisable based on mutual agreement of the Company and the lessors.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(B) Group as lessor

The Group has entered into lease agreements to lease the following properties which have been treated as "Investment Property".

| | |
|--|--|
| Land & Factory Building situated at Sikkim | The lease agreement was executed on 1st December, 2016. The said lease is for a term of 10 years with a clause to enable upward revision of the rental charge after every 3 years. The total rent recognized as income during the year is ₹ 160.60 Lakhs (March 31, 2022: ₹ 158.40 Lakhs). |
| Residential Flat situated at Greater Noida | The lease agreement was executed w.e.f. 15th September, 2018. The said lease was initially for a term of 11 months with a clause of subsequent renewal by mutual consent and the same being ongoing renewed. The total rent recognized as income during the year is ₹ 8.52 Lakhs (March 31, 2022: ₹ 7.20 Lakhs). |
| Land & Factory Building situated at Silvassa | The lease agreement was executed w.e.f. 31st August, 2020. The said lease is for an initial period of 3 years with a clause of automatically renewal for year-on-year basis until receive termination from party. Lease rent will be increased by 5% if both parties agreed on year-on-year basis. The total rent recognized as income during the year is ₹ 47.51 Lakhs (March 31, 2022: ₹ 49.13 Lakhs). |

NOTE 48 : FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The Group has disclosed financial instruments such as trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.
2. Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

NOTE 49 : FAIR VALUE HIERARCHY

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1** - The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.
- **Level 2** - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- **Level 3** - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in preference shares, other investments, loans receivables and lease receivables included in level 3.

Valuation Processes

The finance department of the Group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Group Chief Financial Officer (CFO) including Board of Directors. Discussions of valuation processes and results are held between the CFO and the valuation team every month. The Group takes the help of independent valuers for valuation purposes.

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Fair Valuation Technique

The carrying amounts of trade receivables, trade payables, creditors towards capital goods, cash and cash equivalents, investment in pref. share, other investment and other bank balances are considered to be the same as their fair values, due to their short-term nature.

The fair values of financial assets and liabilities consisting of loans receivable, lease receivable, lease liabilities, security deposits receivable and security deposit payable were calculated based on cash flows discounted using estimated borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2023:

Fair Value measurement hierarchy of Assets:

(₹ in Lakhs)

| Particulars | Date of Valuation | Fair value measurement using | | | |
|---|-------------------|------------------------------|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial Assets measured at fair value through profit and loss | | | | | |
| Other Investments | March 31, 2023 | 76,809.40 | 71,168.46 | 5,640.94 | - |
| Financial Assets measured at fair value through other comprehensive income | | | | | |
| Other Investments | March 31, 2023 | - | - | - | - |
| Financial Assets measured at amortized cost | | | | | |
| Other Investments | March 31, 2023 | 27.62 | - | - | 27.62 |
| Loans | March 31, 2023 | 260.96 | - | - | 260.96 |
| Trade receivables | March 31, 2023 | 28,197.60 | - | - | 28,197.60 |
| Cash and cash equivalents | March 31, 2023 | 4,227.05 | - | - | 4,227.05 |
| Bank balances other than cash and cash equivalents | March 31, 2023 | 26.65 | - | - | 26.65 |
| Other financial assets | March 31, 2023 | 618.95 | - | - | 618.95 |

(₹ in Lakhs)

| Assets for which Fair Values are disclosed: | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Investment Property | 11,431.96 | 10,857.04 |

Fair Value measurement hierarchy of Liabilities:

(₹ in Lakhs)

| Particulars | Date of Valuation | Fair value measurement using | | | |
|---|-------------------|------------------------------|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial liabilities measured at amortized cost | | | | | |
| Borrowings | March 31, 2023 | 46,761.06 | - | - | 46,761.06 |
| Lease liabilities | March 31, 2023 | 10,347.47 | - | - | 10,347.47 |
| Trade payables | March 31, 2023 | 25,941.38 | - | - | 25,941.38 |
| Other financial liabilities | March 31, 2023 | 11,764.46 | - | - | 11,764.46 |

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Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2022:

Fair Value measurement hierarchy of Assets:

(₹ in Lakhs)

| Particulars | Date of Valuation | Fair value measurement using | | | |
|---|-------------------|------------------------------|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial Assets measured at fair value through profit and loss | | | | | |
| Other Investments | March 31, 2022 | 13,919.85 | 8,913.05 | 5,006.80 | - |
| Financial Assets measured at fair value through other comprehensive income | | | | | |
| Other Investments | March 31, 2022 | 47,876.02 | - | 47,876.02 | - |
| Financial Assets measured at amortized cost | | | | | |
| Other Investments | March 31, 2022 | 25.35 | - | - | 25.35 |
| Loans | March 31, 2022 | 564.95 | - | - | 564.95 |
| Trade receivables | March 31, 2022 | 26,939.30 | - | - | 26,939.30 |
| Cash and cash equivalents | March 31, 2022 | 4,081.28 | - | - | 4,081.28 |
| Bank balances other than cash and cash equivalents | March 31, 2022 | 31.58 | - | - | 31.58 |
| Other financial assets | March 31, 2022 | 3,087.84 | - | - | 3,087.84 |

Fair Value measurement hierarchy of Liabilities:

(₹ in Lakhs)

| Particulars | Date of Valuation | Fair value measurement using | | | |
|---|-------------------|------------------------------|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial liabilities measured at amortized cost | | | | | |
| Borrowings | March 31, 2022 | 33,775.50 | - | - | 33,775.50 |
| Lease liabilities | March 31, 2022 | 12,870.97 | - | - | 12,870.97 |
| Trade payables | March 31, 2022 | 28,542.75 | - | - | 28,542.75 |
| Other financial liabilities | March 31, 2022 | 9,436.68 | - | - | 9,436.68 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 50 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprises of borrowings, lease liabilities, deposits from dealers, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group is exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group are accountable to the Board of Directors and Audit Committee. This process provides assurance to Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Group policies and Group risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include deposits from dealers, investments and foreign currency receivables and payables.

The sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

The analysis exclude the impact of movements in market variables on, the carrying values of gratuity and other post-retirement obligations, provisions and the non-financial assets and liabilities.

The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2023 and March 31, 2022.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. The Group is exposed to foreign currencies such as "USD", "AED", "GBP", "NZD" and "EURO".

The carrying amount of the foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

| Particulars | Currency | ₹ in Lakhs) | |
|-----------------------------------|----------|-------------------------|-------------------------|
| | | As at March 31, 2023 | As at March 31, 2022 |
| Financial assets: | | | |
| Trade receivables | USD | 817.82 | 778.46 |
| Trade receivables | AED | 205.88 | - |
| Bank balances | AED | - | 0.11 |
| Bank balances | USD | - | 268.87 |
| Financial liabilities: | | | |
| Trade payables | USD | (2,358.02) | (2,030.66) |
| Trade payables | EURO | (33.08) | (79.48) |
| Trade payables | GBP | (20.00) | (19.28) |
| Trade payables | NZD | - | (127.14) |
| Creditors for Capital Goods | EURO | (59.44) | - |
| Term Loan | USD | (7,736.33) | (7,247.32) |
| Net assets / (liabilities) | | (9,183.17) | (8,456.44) |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Foreign currency sensitivity analysis

The Group is mainly exposed to USD, EURO, GBP, AUD, AED and NZD. The following table demonstrate the sensitivity to a reasonably possible change in respective exchange rates, with all other variables held constant.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for sensitivity change in foreign currency rates. A positive number below indicates an increase in profit or equity and vice-versa.

Foreign currency sensitivity

| (₹ in Lakhs) | | | | |
|--------------|-----|-------------------------|-----|-------------------------|
| Currency | % | As at March 31, 2023 | % | As at March 31, 2022 |
| USD | 2% | (185.53) | 2% | (164.61) |
| USD | -2% | 185.53 | -2% | 164.61 |
| EURO | 3% | (2.78) | 3% | (2.38) |
| EURO | -3% | 2.78 | -3% | 2.38 |
| GBP | 2% | (0.40) | 2% | (0.39) |
| GBP | -2% | 0.40 | -2% | 0.39 |
| NZD | 5% | - | 5% | (6.36) |
| NZD | -5% | - | -5% | 6.36 |
| AED | 2% | 4.12 | 2% | 0.00 |
| AED | -2% | (4.12) | -2% | (0.00) |

(ii) Interest risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Group's financial liabilities comprises mainly of interest-bearing project term loans. However, these are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

(iii) Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of bedding articles, home comfort products, furniture cushioning and specialized foam and therefore require a continuous supply of raw materials i.e. TDI and Polyol being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the TDI and Polyol, the Group has entered into various purchase contracts for these material for which there is an active market. The Group's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Group partly mitigated the risk of price volatility by entering into the contract for the purchase of these material and further, the Group increases prices of its products as and when appropriate to minimize the impact of increase in raw material prices.

b) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

(i) Trade receivables

Customer credit risk is managed by the Group through its established policies and procedures which involve setting up credit limits based on credit profiling of individual customers, credit approvals for enhancement of limits and regular monitoring of important developments viz. payment history, change in credit limits, regulatory changes, industry outlook etc. Outstanding receivables are regularly monitored and an impairment analysis is performed at each reporting date on an individual basis for each major customer. In accordance with Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or reversal thereof. Concentration of credit risk with respect to trade receivables are limited, due to Group's customer base being large and diverse. All trade receivables are reviewed and assessed for default on monthly basis.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy. Surplus funds are invested in bank deposits, bonds, debentures and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the Balance sheet at March 31, 2023 and March 31, 2022 is the carrying amounts which are given below. Trade receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Group.

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Non-current assets | | |
| Investments | 5,641.29 | 52,883.17 |
| Loans | 193.91 | 7.59 |
| Other financial assets | 518.97 | 453.61 |
| Current assets | | |
| Investments | 71,195.73 | 8,938.05 |
| Trade receivables | 28,197.60 | 26,939.30 |
| Cash and cash equivalents | 4,227.05 | 4,081.28 |
| Bank balances other than cash and cash equivalents | 26.65 | 31.58 |
| Loans | 67.05 | 557.36 |
| Other financial assets | 99.98 | 2,634.23 |
| Total | 1,10,168.23 | 96,526.17 |

(c) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short-term bank deposits, short term investments and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group assessed the concentration of risk with respect to its debt and concluded it to be very low.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

| Particulars | (₹ in Lakhs) | | |
|-----------------------------|------------------|------------------|------------------|
| | Less than 1 Year | More than 1 Year | Total |
| As at March 31, 2023 | | | |
| Trade payables | 25,922.27 | 19.11 | 25,941.38 |
| Other financial liabilities | 9,170.50 | 2,593.96 | 11,764.46 |
| Borrowings | 18,380.43 | 28,380.63 | 46,761.06 |
| Lease liability | 1,598.40 | 8,749.07 | 10,347.47 |
| | 55,071.60 | 39,742.77 | 94,814.37 |
| As at March 31, 2022 | | | |
| Trade payables | 28,538.58 | 4.17 | 28,542.75 |
| Other financial liabilities | 4,402.60 | 5,034.08 | 9,436.68 |
| Borrowings | 10,957.32 | 22,818.18 | 33,775.50 |
| Lease liability | 2,306.18 | 10,564.79 | 12,870.97 |
| | 46,204.68 | 38,421.22 | 84,625.90 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 51 : CAPITAL MANAGEMENT

The Group's objective in managing its capital is to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The Group considers the following components of its Balance Sheet to manage capital:

1) Share Capital and 2) Other Reserves comprising of General Reserve and Retained Earnings. The Group capital structure is based on the Management's assessment of the balances of key elements to ensure strategic decisions and day to day activities.

(₹ in Lakhs, unless otherwise stated)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Equity | 4,878.28 | 2,439.14 |
| Other equity | 1,55,987.36 | 1,37,580.81 |
| Total equity (i) | 1,60,865.64 | 1,40,019.95 |
| Borrowings | 46,761.06 | 33,775.50 |
| Less: Cash and cash equivalents | 4,227.05 | 4,081.28 |
| Total debt (ii) | 42,534.01 | 29,694.22 |
| Overall financing (iii) = (i) + (ii) | 2,03,399.65 | 1,69,714.17 |
| Gearing ratio (In %) | (ii) / (iii) | 21% |

The Holding Company has not distributed any dividend to its shareholders. The Group monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. The capital structure of the Group is managed with a view of the overall macro economic conditions and the risk characteristics of the underlying assets. The Group's policy is to maintain a strong capital structure with a focus to mitigate all existing and potential risks to the Group, maintain shareholder, vendor and market confidence and sustain continuous growth and development of the Group. The Group's focus is on keeping a strong total equity base to ensure independence, security, as well as high financial flexibility without impacting the risk profile of the Group. In order, to maintain or adjust the capital structure, the Group will take appropriate steps as may be necessary.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

NOTE 52 : COMMITMENTS FOR EXPENDITURE

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of ₹ 3,357.30 Lakhs (March 31, 2022: ₹ 2,485.15 Lakhs)) | 6,538.31 | 7,313.94 |
| Total | 6,538.31 | 7,313.94 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 53 : CONTINGENT LIABILITIES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Claims against the holding company not acknowledged as debt (refer note below) | | |
| Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards: | | |
| Sales tax | 439.99 | 480.99 |
| Entry tax | 194.11 | 194.11 |
| Income tax | 564.99 | 439.12 |
| Excise Duty | 410.57 | 410.57 |

Note:

The Group is contesting these demands and the management including its advisers are of the view that these demands may not be sustainable at the appellate level. The management believes that the ultimate outcome of these proceedings will not have any material adverse effect on the Holding company's financial position and results of operations. The Holding company does not expect any reimbursement in respect of these contingent liabilities and it is not practicable to estimate the timing of cash outflows, if any, in respect of these matters, pending resolution of the appellant proceedings.

NOTE 54 : ASSET PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Current asset | | |
| Inventories | 6,457.53 | 5,776.56 |
| Trade receivables | 6,355.16 | 6,252.66 |
| Other current financial assets | 28.72 | - |
| Other current assets | 552.41 | 2,452.68 |
| | 13,393.82 | 14,481.90 |
| Non-Current assets | | |
| Leasehold land | 730.27 | 737.91 |
| Property, plant and equipment | 24,416.66 | 25,466.33 |
| Capital work-in-progress | 24,622.77 | 11,756.50 |
| Intangible Assets | 33.65 | 33.67 |
| | 49,803.35 | 37,994.41 |
| Total Assets pledged as security | 63,197.17 | 52,476.31 |

Note based on the terms and conditions written on sanction letters by Banks:

- Term loan with JP Morgan and Kotak Mahindra Bank in International Comfort Technologies Private Limited has been secured by hypothecation of first charge on entire fixed assets (Movable fixed assets and immovable fixed assets) and corporate guarantee provided by Holding Company.
- Euro Term Loan with Citi Bank, Spain in International Foam Technologies S.L, Spain having exclusive charge on owned fixed assets (movable and immovable) in Holding company at manufacturing plant located at Jalpaiguri (West Bengal), Sahibabad (Uttar Pradesh), Rajpura (Punjab) and Erode (Tamilnadu).
- AUD Term Loan with Citi Bank, Australia in Joyce Foam Pty. Ltd. having fixed charge over present and future interest in Non-Disposable Property (which include both Movable and Immovable property) & floating charge on all other assets which does not subject to fixed charge.
- Working capital loan with Citi Bank Australia in Joyce foam PTY Ltd., has been secured by hypothecation of first charge on entire current assets.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 55 : SEGMENT INFORMATION

Operating segment information

The Group is majorly engaged in the manufacturing of the products of same type/class and as such there is no reportable segment. As per Indian Accounting Standard (Ind AS 108) dealing with the operating segments, Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors of the Holding Company.

Geographical information

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Revenue from external customers | | |
| Within India | 1,99,797.97 | 1,95,491.53 |
| Outside India | 87,534.12 | 91,066.31 |
| Total revenue | 2,87,332.09 | 2,86,557.84 |
| Assets | | |
| Within India | 52,341.67 | 42,962.28 |
| Outside India | 67,688.51 | 58,805.53 |
| Total assets | 1,20,030.18 | 1,01,767.81 |

The revenue information is based on location of customers and excluding other operating revenue.

NOTE 56 : TRANSFER PRICING

The Group has appointed an independent consultant for conducting a Transfer Pricing Study to determine whether the transactions with associate enterprises undertaken during the financial year are on an "arm's length basis". The Transfer Pricing study under the Income Tax Act, 1961 in respect of transaction with the group companies for the financial year ended March 31, 2023 is not yet complete. Adjustments, if any, arising from Transfer Pricing study shall be accounted for as and when the study is completed. The management confirms that all international transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms. During the current year, the Transfer Pricing certificate under section 92E of Income Tax Act, 1961 for the year ended March 31, 2022 has been obtained and there are no adverse comments requiring adjustments.

NOTE 57 : EXPOSURE TOWARDS MICRO, SMALL AND MEDIUM ENTERPRISES

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| I The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Group are as under: | | |
| (i) The principal amount and the interest due thereon remaining unpaid to any supplier: | | |
| Principal amount | 722.01 | 506.29 |
| Interest | - | - |
| (ii) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ended | - | - |
| (iii) The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year) | - | - |
| (iv) The amount of interest accrued and remaining unpaid for the year ended | - | - |
| (v) The amount of further interest remaining due and payable for the earlier years | - | - |

The information has been given in respect of such suppliers to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Group. Further, the amount payable to these parties is not overdue, hence no interest is required to provided/accrued as at March 31, 2023 and March 31, 2022.

II The credit period for purchase of goods and services are from up to 30 days. No interest is chargeable on trade payables.

Notes to Consolidated Financial Statements

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NOTE 58 : CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

As per provisions of Section 135 of the Companies Act, 2013, the Holding Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed by the Holding company for carrying out CSR activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects as per the Schedule VII of the Companies Act, 2013.

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| a) Gross amount required to be spent as per section 135 of the Act. | 476.02 | 409.07 |
| Add: Amount Unspent from previous years | - | - |
| Total Gross amount required to be spent during the year | 476.02 | 409.07 |
| b) Amount approved by the Board to be spent during the year | 523.02 | - |
| c) Amount spent during the year on | | |
| (i) Construction/acquisition of an asset | - | - |
| (ii) On purposes other than (i) above | 523.02 | 457.53 |
| d) Details related to amount spent | | |
| Contribution to Sleepwell Foundation Trust | 275.00 | 315.00 |
| Spent on Health Support, Promoting education including employment enhancing vocational skills | 248.02 | 142.53 |
| | 523.02 | 457.53 |
| e) Details of CSR expenditure in respect of other than ongoing projects | | |
| Balance (Short) / Excess as at opening | - | - |
| Amount deposited in Specified Fund of Schedule VII of the Act within 6 months | - | - |
| Amount required to be spent during the year | 476.02 | 457.53 |
| Amount spent during the year | 523.02 | 457.53 |
| Balance (Short) / Excess Spent at end of the year | 47.00 | - |

Note: Corporate social responsibility expenses of Company are managed by related party -Sleepwell foundation (refer note no. 46).

NOTE 59 : STATUTORY GROUP INFORMATION

(₹ in Lakhs, unless otherwise stated)

| Name of the entity in the Group | Net Assets, i.e. Total assets minus Total liabilities | | Share in Profit and loss | | Share in Other comprehensive income | | Share in Total Comprehensive Income | |
|--|---|--------------------|--------------------------------------|------------------|---|-----------------|---|------------------|
| | As % of consolidated net assets | Amount | As % of consolidated profit and loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| Parent | | | | | | | | |
| Sheela Foam Limited | | | | | | | | |
| Balance as at March 31, 2023 | 85% | 1,36,446.09 | 81% | 16,534.26 | -31% | (383.92) | 75% | 16,150.34 |
| Balance as at March 31, 2022 | 87% | 1,21,172.09 | 91% | 19,884.05 | 63% | (116.36) | 91% | 19,767.69 |
| Subsidiaries | | | | | | | | |
| Indian | | | | | | | | |
| 1 Divya Software Solutions Private Limited | | | | | | | | |
| Balance as at March 31, 2023 | -1% | (1,498.90) | -2% | (391.75) | 0% | 0.00 | -2% | (391.75) |
| Balance as at March 31, 2022 | -1% | (1,131.10) | -2% | (390.48) | 0% | 0.00 | -2% | (390.48) |

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for the year ended March 31, 2023

(₹ in Lakhs, unless otherwise stated)

| Name of the entity in the Group | Net Assets, i.e. Total assets minus Total liabilities | | Share in Profit and loss | | Share in Other comprehensive income | | Share in Total Comprehensive Income | |
|--|---|--------------------|--------------------------------------|-------------------|---|-----------------|---|-------------------|
| | As % of consolidated net assets | Amount | As % of consolidated profit and loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| 2 Sleepwell Enterprises Private Limited | | | | | | | | |
| Balance as at March 31, 2023 | 0% | 230.19 | 0% | (20.30) | 0% | 0.00 | 0% | (20.30) |
| Balance as at March 31, 2022 | 0% | 207.32 | 0% | (28.56) | 0% | 0.00 | 0% | (28.56) |
| 3 Staquo World Private Limited | | | | | | | | |
| Balance as at March 31, 2023 | -1% | (904.22) | -7% | (1,397.24) | 0% | (5.95) | -7% | (1,403.19) |
| Balance as at March 31, 2022 | -1% | (809.03) | -5% | (1,156.72) | 12% | (22.28) | -5% | (1,179.00) |
| 4 International Comfort Technologies Private Limited | | | | | | | | |
| Balance as at March 31, 2023 | 1% | 1,149.43 | 9% | 1,881.40 | -1% | -10.76 | 9% | 1,870.64 |
| Balance as at March 31, 2022 | 0% | (587.51) | -3% | (591.13) | -2% | 3.61 | -3% | (587.52) |
| Foreign | | | | | | | | |
| 1 Joyce Foam Pty Ltd. | | | | | | | | |
| Balance as at March 31, 2023 | 9% | 14,297.89 | 5% | 1,087.99 | -1% | (10.71) | 5% | 1077.28 |
| Balance as at March 31, 2022 | 10% | 13,782.87 | 9% | 2,038.01 | 22% | (41.51) | 9% | 1996.50 |
| 2 International Foam Technologies Spain SLU | | | | | | | | |
| Balance as at March 31, 2023 | 6% | 10,318.70 | 12% | 2,421.31 | 133% | 1,662.60 | 19% | 4083.91 |
| Balance as at March 31, 2022 | 5% | 6,621.97 | 9% | 1,977.80 | 5% | (8.53) | 9% | 1969.27 |
| Non-controlling interests in all subsidiaries | | | | | | | | |
| Balance as at March 31, 2023 | 1% | 826.46 | 1% | 190.55 | 0% | 0.00 | 1% | 190.55 |
| Balance as at March 31, 2022 | 1% | 763.34 | 1% | 139.83 | 0% | 0.00 | 1% | 139.83 |
| Total | | | | | | | | |
| Balance as at March 31, 2023 | 100% | 1,60,865.64 | 100% | 20,306.22 | 100% | 1,251.26 | 100% | 21,557.48 |
| Balance as at March 31, 2022 | 100% | 1,40,019.95 | 100% | 21,872.80 | 100% | (185.07) | 100% | 21,687.73 |

Notes to Consolidated Financial Statements

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NOTE 60 : INTEREST IN OTHER ENTITIES

Subsidiaries

The Group's subsidiaries at March 31, 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

| Name of entity | Place of business/ Country of Incorporation | Ownership interest held by the Group | | Ownership interest held by non-controlling interests | | Principal activities |
|---|--|--------------------------------------|----------------------|--|----------------------|--|
| | | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 | |
| Joyce Foam Pty. Ltd., Australia | Australia | 100% | 100% | 0% | 0% | Manufacturer of technical foam supplied to Business customers (mattress and furniture manufacturers) |
| Divya Software Solutions Private Limited, India | India | 100% | 100% | 0% | 0% | Software development and related ancillary activities |
| Sleepwell Enterprises Private Limited, India | India | 100% | 100% | 0% | 0% | Providing of its Trademarks, Patents, Logos etc. and earning royalty thereon |
| International Foam Technologies SL, Spain | Spain | 100% | 100% | 0% | 0% | To invest in a Wholly Owned Subsidiary Company in Spain, engaged in manufacturing of Polyurethane Foam |
| Staqo World Private Limited, India | India | 100% | 100% | 0% | 0% | Information technology and related ancillary activities |
| International comfort Technologies Private Limited, India | India | 100% | 100% | 0% | 0% | Manufacturer of mattresses supplied to domestic & overseas customers |
| Interplasp, SL, Spain (Subsidiary of International Foam Technologies SL, Spain) | Spain | 93.66% | 93.66% | 6.34% | 6.34% | Engaged in manufacturing of Polyurethane Foam |
| Joyce WC NSW PTY Ltd. (Subsidiary of Joyce Foam Pty Ltd., Australia) | Australia | 100% | 100% | 0% | 0% | Manufacturer of technical foam supplied to Business customers (mattress and furniture manufacturers) |
| Staqo World Kft. (Subsidiary of Staqo World Private Limited) | Hungary | 100% | 100% | 0% | 0% | Information technology and related ancillary activities |
| Staqo Incorporated. (Subsidiary of Staqo World Private Limited) | U.S. | 100% | 100% | 0% | 0% | Information technology and related ancillary activities |
| Staqo Technologies L.L.C (Subsidiary of Staqo World Private Limited) | Dubai | 100% | 100% | 0% | 0% | Information technology and related ancillary activities |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 61 : DERIVATIVES AND HEDGING

(i) Classification of derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are accounted for at fair value through profit or loss. Information about the derivatives used by the Company and outstanding as at the end of the financial year is provided below:

(₹ in Lakhs)

| Particulars | Financial Assets | | Financial liabilities | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 |
| Derivatives designated as Hedging Instruments: | | | | |
| Cross currency interest rate swap | - | - | 945.98 | - |
| Derivatives not designated as Hedging Instruments: | | | | |
| Principal only swap | - | - | 1,322.29 | - |

(ii) Hedging activities

Foreign Currency Risk

The Holding Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions.

Derivatives designated as hedging instruments are accounted for as cash flow hedges.

(iii) Hedge Effectiveness

For derivatives designated as hedging instruments, there is an economic relationship between the hedged items and the hedging instruments as the terms of the hedge contracts match the terms of hedge items. The Holding Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and interest rate are identical to the hedged risk components. To test the hedge effectiveness, the Holding Company compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

(iv) Source of Hedge ineffectiveness

For derivatives designated as hedging instruments, in case of foreign currency risk and interest rate risk, the main source of hedge ineffectiveness is the effect of the counterparty's credit risk on the fair value of hedge contracts, which is not reflected in the fair value of the hedged items. The effect of this is not expected to be material.

(v) Disclosures of effects of Cash Flow Hedge Accounting:

Hedging instruments

The Holding Company has taken derivatives to hedge its loan given to its subsidiary.

(₹ in Lakhs)

| Particulars | Less than 1 year | 1 to 5 year | More than 5 Years |
|--|------------------|-------------|-------------------|
| Cross currency interest rate swap | | | |
| As at March 31, 2023 | | | |
| Nominal Amount | - | - | 6,416.80 |
| As at March 31, 2022 | | | |
| Nominal Amount | - | - | - |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(vi) The effect of the cash flow hedge in the Statement of Profit & Loss and Other Comprehensive Income is as follows:

| Particulars | (₹ in Lakhs) | |
|--|--|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Cash flow Hedge Reserve at the beginning of the year | - | - |
| Total hedging (loss) recognised in Other Comprehensive Income | (347.78) | - |
| Income tax on above | 87.53 | - |
| Ineffectiveness recognised in profit or loss | (1,322.29) | - |
| Line item in the statement of profit & loss that includes the recognised ineffectiveness | Net Loss on Foreign Currency Forward Contracts in "Other expenses" | - |
| Amount reclassified from Other Comprehensive Income to profit or loss | - | - |
| Income tax on above | - | - |
| Cash flow Hedge Reserve at the end of the year | (260.25) | - |
| Line item in the statement of profit & loss that includes the reclassification adjustments | Not Applicable | - |

(vii) The outstanding position of derivative instrument is as under:

| Nature | Currency | Purpose | (₹ in Lakhs) | | | |
|-----------------------------------|----------|--|-------------------------------|--|-------------------------------|--|
| | | | As at March 31, 2023 | | As at March 31, 2022 | |
| | | | Nominal value (₹ in Lakhs) | Notional value Foreign Currency (in Lakhs) | Nominal value (₹ in Lakhs) | Notional value Foreign Currency (in Lakhs) |
| Cross currency interest rate swap | EURO | Hedging of Foreign Currency Loans Principal & Interest | 6,416.80 | 80.00 | - | - |
| Principal only swap | EURO | Hedging of equity investment in foreign subsidiary | 9,390.00 | 120.00 | - | - |
| Total | | | 15,806.80 | 200.00 | - | - |

Exchange rates used for conversion of foreign currency exposure:

| Currency | As at March 31, 2023 | As at March 31, 2022 |
|----------|-------------------------|-------------------------|
| EURO | 89.61 | 82.13 |

(viii) The impact of the hedging instruments on the statement of financial position is as under:

| Particulars | (₹ in Lakhs) | |
|--|-------------------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Nominal Amount | 6,416.80 | - |
| Carrying Amount (net) | 7,168.61 | - |
| Line item in the statement of financial position that includes Hedging Instruments | Other current financial liabilities | - |
| Change in fair value of the hedge item used as the basis for recognising hedge ineffectiveness for the year - gain/(loss) (net of tax) | (260.25) | - |

(ix) Hedge Items

The impact of the Hedged Items on the statement of financial position is as follows:

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Balance in Cash flow hedge reserve as at the end of the year for continuing hedges (net of tax) | (260.25) | - |
| Change in value of the hedged item used for measuring ineffectiveness for the year (net of tax) | (260.25) | - |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(x) Particulars of unhedged foreign currency exposure as at balance sheet date:

| Particulars | Currency | As at March 31, 2023 | | As at March 31, 2022 | |
|-----------------------------|----------|----------------------|------------|----------------------|------------|
| | | FC in Lakhs | ₹ in Lakhs | FC in Lakhs | ₹ in Lakhs |
| Trade payables | USD | (28.68) | (2,358.02) | (26.23) | (2,030.66) |
| | EURO | (0.37) | (33.08) | (0.92) | (79.48) |
| | GBP | (0.20) | (20.00) | (0.19) | (19.28) |
| | NZD | - | - | (2.41) | (127.14) |
| Creditors for Capital Goods | EURO | (0.66) | (59.44) | - | - |
| Term Loan | USD | (94.10) | (7,736.33) | (94.10) | (7,247.32) |
| Trade receivables | USD | 9.95 | 817.82 | 10.28 | 778.46 |
| | AED | 9.21 | 205.88 | - | - |
| Bank balance | AED | - | - | 590.00 | 0.11 |
| | USD | - | - | 1,833.46 | 268.87 |

NOTE 62 : INCOME TAX EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Current tax | | |
| In respect of current year | 7,875.59 | 8,331.47 |
| Tax expenses related to earlier years | (77.20) | (22.04) |
| | 7,798.39 | 8,309.43 |
| Deferred tax | | |
| Origination and reversal of temporary differences including tax impact on Other Comprehensive Income | (929.46) | (593.50) |
| | (929.46) | (593.50) |
| Total income tax expense recognised in the current year including tax impact on Other Comprehensive Income | 6,868.93 | 7,715.93 |

The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Profit before tax (Including Other comprehensive income) | 26,779.33 | 29,453.70 |
| Income tax expense calculated at 25.168% | 6,739.82 | 7,412.91 |
| Effect of income that is exempt from taxation | (31.29) | - |
| Effect of expenses that are not deductible in determining taxable profit | 407.17 | 115.15 |
| Effect of difference in tax rates | (31.80) | 197.17 |
| Others | (137.77) | 12.74 |
| | 6,946.13 | 7,737.97 |
| Adjustments recognised in the current year in relation to tax of prior years | (77.20) | (22.04) |
| Income tax expense recognised in the Statement of Profit and Loss | 6,868.93 | 7,715.93 |
| Effective Tax Rate | 25.65% | 26.20% |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 63 : THE CODE ON SOCIAL SECURITY 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

NOTE 64 : UTILISATION OF BORROWED FUNDS

- (i) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 65 : EVENTS AFTER THE REPORTING PERIOD

There are no significant adjusting events after the reporting period.

NOTE 66 : DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

The Group has not traded or invested in Crypto currency or Virtual currency during the financial year.

NOTE 67 : UNDISCLOSED INCOME (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

The Group does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

NOTE 68 : DETAILS OF BENAMI PROPERTY HELD (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

NOTE 69 : RELATIONSHIP WITH STRUCK OFF COMPANIES UNDER SECTION 248 OF THE COMPANIES ACT, 2013 OR SECTION 560 OF COMPANIES ACT, 1956 (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 70 : RECONCILIATION OF QUARTERLY RETURNS OR STATEMENTS OF CURRENT ASSETS FILED WITH BANKS OR FINANCIAL INSTITUTIONS

As at March 31, 2023

| Quarter | Name of bank | Particulars of Securities Provided | Amount as per books of account (₹ in Lakhs) | Amount as reported in the quarterly statement (₹ in Lakhs) | Amount of difference | Reason for material discrepancies |
|---------|--|--|---|--|----------------------|-----------------------------------|
| Jun-22 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 28,747.00 | 28,747.00 | - | |
| Sep-22 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 31,359.00 | 31,359.00 | - | |
| Dec-22 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 24,490.00 | 24,490.00 | - | |
| Mar-23 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 29,274.00 | 29,274.00 | - | |

As at March 31, 2022

| Month | Name of bank | Particulars of Securities Provided | Amount as per books of account (₹ in Lakhs) | Amount as reported in the quarterly statement (₹ in Lakhs) | Amount of difference | Reason for material discrepancies |
|--------|--|--|---|--|----------------------|-----------------------------------|
| Jun-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 23,930.09 | 23,930.09 | - | |
| Sep-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 29,075.37 | 29,075.37 | - | |
| Dec-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 27,449.27 | 27,449.27 | - | |
| Mar-22 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 26,924.84 | 26,924.84 | - | |

NOTE 71 : COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Note 72

The Group did not have any material foreseeable losses on long term contracts including derivative contracts.

Note 73

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 74 : FOLLOWING ARE THE RECLASSIFICATIONS MADE IN THE PREVIOUS YEAR FIGURES TO MAKE THEM COMPARABLE/ BETTER PRESENTATION WITH THE CURRENT YEAR FIGURES:

(₹ in Lakhs)

| Particulars | March 31,2022 (Revised) | March 31,2022 (Published) | Nature |
|--------------------------------|----------------------------|------------------------------|------------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Loans | 7.59 | 8.47 | Reclassification items |
| Deferred tax asset | 783.19 | - | Reclassification items |
| Non Current Tax Assets (net) | 693.34 | 675.35 | Reclassification items |
| Other non-current assets | 2,563.97 | 799.71 | Reclassification items |
| Current Assets | | | |
| Trade Receivables | 26,939.30 | 28,504.18 | Reclassification items |
| Loans | 557.36 | 555.07 | Reclassification items |
| Other financial assets | 2,634.23 | 2,637.42 | Reclassification items |
| Other current assets | 4,021.98 | 5,938.49 | Reclassification items |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Provisions | 1,932.59 | 2,738.34 | Reclassification items |
| Deferred tax liabilities | 966.99 | 183.80 | Reclassification items |
| Current Liabilities | | | |
| Trade payables | 28,036.46 | 29,625.31 | Reclassification items |
| Other financial liabilities | 4,402.60 | 4,538.64 | Reclassification items |
| Provisions | 1,056.13 | 250.38 | Reclassification items |
| Other current liabilities | 7,703.02 | 7,679.05 | Reclassification items |
| Income | | | |
| Revenue from Operations | 2,86,557.84 | 2,98,180.84 | Reclassification items |
| Expenses | | | |
| Cost of materials consumed | 1,83,325.03 | 1,79,850.03 | Reclassification items |
| Employee benefits expense | 25,547.57 | 25,768.82 | Reclassification items |
| Other expenses | 35,585.89 | 50,462.64 | Reclassification items |

NOTE 75: SCHEME OF AMALGAMATION WITH WOS OF THE COMPANY

The Scheme of Amalgamation of the wholly owned subsidiary, i.e., International Comfort Technologies Private Limited ("ICTPL" or "Transferor Company") with Sheela Foam Limited ("SFL" or "Transferee Company") and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") is subject to necessary statutory and regulatory approvals including the approvals of National Company Law Tribunal, Bench at Delhi ("NCLT"). The same will be accounted for in the books of accounts, in accordance with appendix C to Ind AS 103 on the approval from NCLT.

As per our report of even date

For **M S K A & Associates**
Chartered Accountants
Firm Registration No.: 105047W

Nipun Gupta
Partner
Membership No.: 502896

Place: Gurugram
Date: May 17, 2023

For and on behalf of the Board of Directors of

Sheela Foam Limited
CIN: L74899DL1971PLC005679

Rahul Gautam
Managing Director
DIN:00192999

Place: Noida
Date: May 17, 2023

Tushaar Gautam
Whole Time Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Md. Iqbal Ahmad
Company Secretary
Membership No.: A20921

Sheela Foam Limited
Provisional Standalone Balance Sheet as at December 31, 2023

| Particulars | Note no. | (Rs. in Lakhs) | |
|--|----------|----------------------------|-------------------------|
| | | As at December 31, 2023 | As at March 31, 2023 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 23,659.69 | 23,709.63 |
| Right-of-use assets | | 3,563.46 | 1,631.09 |
| Capital work-in-progress | | 2,628.39 | 188.78 |
| Investment property | | 301.68 | 342.50 |
| Equity Investments in Subsidiaries and Joint venture company | 1 | 2,64,818.64 | 19,667.38 |
| Financial assets | | | |
| (i) Investment in preference shares | 2 | 2,990.00 | 2,990.00 |
| (ii) Other investments | 3 | 46,890.60 | 5,641.29 |
| (iii) Loans | 4 | 17,907.57 | 12,229.14 |
| (iv) Other financial assets | 5 | 1,708.11 | 1,698.07 |
| Non current tax assets (net) | 6 | 587.12 | 671.16 |
| Other non-current assets | 7 | 1,178.10 | 323.67 |
| Total non current assets | | 3,66,233.36 | 69,092.71 |
| Current assets | | | |
| Inventories | 8 | 13,832.90 | 18,894.37 |
| Financial assets | | | |
| (i) Investments | 9 | 5,589.33 | 70,647.60 |
| (ii) Trade receivables | 10 | 21,717.72 | 16,400.40 |
| (iii) Cash and cash equivalents | 11 | 590.27 | 1,042.61 |
| (iv) Bank balances other than cash and cash equivalents | 12 | 27.95 | 26.65 |
| (v) Loans | 13 | 57.13 | 59.07 |
| (vi) Other financial assets | 14 | 2,209.91 | 640.00 |
| Current tax assets (net) | 27 | 172.80 | - |
| Other current assets | 15 | 3,523.99 | 3,704.13 |
| Total current assets | | 47,722.00 | 1,11,414.83 |
| Assets held for sale/Assets included in disposal group(s) held for sale | | 80.79 | - |
| Total assets | | 4,14,036.15 | 1,80,507.54 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 16 | 5,434.87 | 4,878.28 |
| Other equity | 17 | 2,61,960.90 | 1,34,701.83 |
| Total equity | | 2,67,395.77 | 1,39,580.11 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 18 | 72,041.86 | - |
| (ii) Lease liabilities | 19 | 3,079.68 | 1,488.19 |
| (iii) Other non current financial liabilities | 20 | 1,947.68 | 2,548.16 |
| Provisions | 21 | 1,039.88 | 897.43 |
| Other non current liabilities | 22 | 17.72 | 19.85 |
| Deferred tax liabilities (net) | 23 | 89.12 | 169.02 |
| Total non current liabilities | | 78,215.94 | 5,142.65 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 24 | 11,435.37 | - |
| (ii) Lease liabilities | 19 | 494.09 | 127.06 |
| (iii) Trade payables | | | |
| - Total outstanding dues of micro enterprises and small enterprises | 25 | 746.95 | 630.91 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 25 | 14,163.09 | 17,645.99 |
| (iv) Other financial liabilities | 26 | 32,501.50 | 8,627.40 |
| Provisions | 21 | 975.88 | 1,088.59 |
| Current tax liabilities (net) | 27 | - | 115.53 |
| Other current liabilities | 28 | 8,107.56 | 7,549.30 |
| Total current liabilities | | 88,424.44 | 35,784.78 |
| Total liabilities | | 1,46,640.38 | 40,927.43 |
| Total equity and liabilities | | 4,14,036.15 | 1,80,507.54 |

Sheela Foam Limited
CIN: L74899DL1971PLC005679



Toshnar Gautam
Managing Director
DIN: 01646487

Place: Noida
Date: 05/02/2024

Sheela Foam Limited
Provisional Standalone Statement of Profit and Loss for the period ended December 31, 2023

(Rs. in Lakhs)

| Particulars | Note no. | For the period ended December 31, 2023 | For the year ended March 31, 2023 |
|---|----------|---|---|
| Income | | | |
| Revenue from operations | 29 | 1,37,745.54 | 2,01,981.56 |
| Other income | 30 | 7,056.58 | 7,861.27 |
| Total income | | 1,44,802.12 | 2,09,842.83 |
| Expenses | | | |
| Cost of materials consumed | 31 | 74,296.74 | 1,13,311.05 |
| Purchase of stock-in-trade | 32 | 7,542.59 | 14,887.73 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 33 | 1,420.68 | (360.40) |
| Other manufacturing expenses | 34 | 3,537.89 | 3,626.01 |
| Employee benefits expense | 35 | 12,076.97 | 14,519.48 |
| Finance costs | 36 | 2,145.67 | 637.38 |
| Depreciation and amortisation expense | 37 | 3,187.23 | 3,376.39 |
| Other expenses | 38 | 22,420.13 | 33,778.17 |
| Total Expenses | | 1,26,627.90 | 1,83,775.81 |
| Profit before tax and Exceptional Items | | 18,174.22 | 26,067.02 |
| Exceptional items | | 1,095.25 | - |
| Profit before tax | | 17,078.97 | 26,067.02 |
| Income Tax expense | | | |
| Current tax | | 4,635.81 | 6,815.87 |
| Tax expenses related to earlier years | | - | (70.49) |
| Deferred tax (net) | | (99.89) | (164.30) |
| Total Income tax expense | | 4,535.92 | 6,581.08 |
| Profit for the period / year | | 12,543.05 | 19,485.94 |
| Other comprehensive income (net of tax) | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Remeasurements gain / (loss) of the net defined benefit plans | | (130.15) | (165.27) |
| Income tax on above item | | 32.76 | 41.60 |
| <i>Items that will be reclassified to profit or loss</i> | | | |
| Fair value gain / (loss) on investments and other financial instruments | | 144.05 | (347.78) |
| Income tax on above item | | (36.25) | 87.53 |
| Total Other comprehensive income/ (loss) (net of tax) | | 10.41 | (383.92) |
| Total comprehensive income for the period / year | | 12,553.46 | 19,102.02 |

Sheela Foam Limited

CIN: L74899DL1971PLC005679


Tushaar Gautam
 Managing Director
 DIN: 01646487



Place: Noida
 Date : 06.02.2024



Sheela Foam Limited
Notes forming part of the standalone financial statements for the period ended December 31, 2023
(in Indian Rupees (Lakhs), unless otherwise stated)

NOTE 1 : EQUITY INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURE COMPANY

| Particulars | As at | |
|--|--------------------|------------------|
| | December 31, 2023 | March 31, 2023 |
| | Rs. in Lakhs | Rs. in Lakhs |
| Investment in equity shares (Unquoted, at cost) (fully paid up) | | |
| Subsidiary Companies | | |
| Joyce Foam PTY Limited | 2,306.59 | 2,306.59 |
| Staqo Software Private Limited | 7,602.00 | 7,602.00 |
| Sleepwell Enterprises Private Limited | 109.20 | 109.20 |
| International Foam Technologies SL, Spain | 9,638.86 | 9,638.86 |
| Staqo World Private Limited | 0.73 | 0.73 |
| International Comfort Technologies Private Limited | 10.00 | 10.00 |
| Kurion Enterprise Limited | 2,09,080.91 | - |
| | 2,28,748.29 | 19,667.38 |
| Associate Companies | | |
| Investment in Associate Companies | 36,070.35 | - |
| Total | 36,070.35 | - |

NOTE 2 : INVESTMENT IN PREFERENCE SHARES

| Particulars | As at December 31, 2023 | | As at March 31, 2023 | |
|--|-------------------------|-----------------|----------------------|-----------------|
| | No. | Rs. in Lakhs | No. | Rs. in Lakhs |
| Investment in 5% optionally convertible preference shares (Unquoted, at cost) (fully paid up) | | | | |
| International Comfort Technologies Private Limited of Rs 10/- each | 2,99,00,000 | 2,990.00 | 2,99,00,000 | 2,990.00 |
| | 2,99,00,000 | 2,990.00 | 2,99,00,000 | 2,990.00 |

NOTE 3 : OTHER INVESTMENTS

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|----------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| In Bonds & Debentures - fully paid up | | |
| Carried at amortised cost - Unquoted | 0.35 | 0.35 |
| Total (a) | 0.35 | 0.35 |
| Carried at fair value through Other Comprehensive Income - Quoted | - | - |
| Carried at fair value through Profit & Loss - Unquoted | 46,890.25 | 5,640.94 |
| Total (b) | 46,890.25 | 5,640.94 |
| Total Investments | 46,890.60 | 5,641.29 |



Sheela Foam Limited
Notes forming part of the standalone financial statements for the period ended December 31, 2023
(in Indian Rupees (Lakhs), unless otherwise stated)

NOTE 4 : LOANS

| Particulars | (Rs. in Lakhs) | |
|-------------------------------------|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| (Unsecured, considered good) | | |
| At amortised cost | | |
| Loans to employees | 12.18 | 10.53 |
| Loan to Subsidiaries | 17,895.39 | 12,218.61 |
| Total | 17,907.57 | 12,229.14 |

NOTE 5 : OTHER FINANCIAL ASSETS (NON CURRENT)

| Particulars | (Rs. in Lakhs) | |
|-------------------------------------|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| (Unsecured, considered good) | | |
| Security deposits | 421.57 | 302.08 |
| Deposits with banks: | | |
| - held as margin money | 1.34 | 1.34 |
| - others | | |
| Lease receivable | 1,285.20 | 1,394.65 |
| Total | 1,708.11 | 1,898.07 |

NOTE 6 : NON CURRENT TAX ASSETS (NET)

| Particulars | (Rs. in Lakhs) | |
|--------------------|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| Advance income tax | 587.12 | 671.16 |
| Total | 587.12 | 671.16 |

NOTE 7 : OTHER NON CURRENT ASSETS

| Particulars | (Rs. in Lakhs) | |
|-------------------------------------|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| (Unsecured, considered good) | | |
| Capital advances | 923.17 | 137.83 |
| Prepaid rent | 38.48 | 38.48 |
| Loan & advances | 216.45 | 147.36 |
| Income tax refund receivable | | |
| Total | 1,178.10 | 323.67 |

NOTE 8 : INVENTORIES

| Particulars | (Rs. in Lakhs) | |
|---|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| (Valued at lower of cost and net realisable value unless otherwise stated) | | |
| Raw materials | 5,638.84 | 8,129.77 |
| Raw materials (In transit) | 488.08 | 1,718.03 |
| Work-in-progress | 4,216.33 | 5,013.43 |
| Finished goods | 1,458.95 | 972.70 |
| Stock-in-trade | 310.36 | 1,429.24 |
| Packing materials | 464.01 | 536.34 |
| Packing materials (In transit) | 33.37 | 35.29 |
| Stores and spares | 1,214.20 | 1,041.18 |
| Stores & spares (In transit) | 8.76 | 18.39 |
| Total | 13,832.90 | 18,894.37 |



Sheela Foam Limited
Notes forming part of the standalone financial statements for the period ended December 31, 2023
(in Indian Rupees (Lakhs), unless otherwise stated)

NOTE 9 : INVESTMENTS

| Particulars | (Rs. in Lakhs) | |
|---|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| In Mutual Funds - fully paid up | | |
| Carried at fair value through profit and loss- Quoted | 5,589.33 | 70,647.60 |
| Total Investments | <u>5,589.33</u> | <u>70,647.60</u> |

NOTE 10 : TRADE RECEIVABLES

| Particulars | (Rs. in Lakhs) | |
|--|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| (At amortised cost) | | |
| Unsecured | | |
| Trade receivables - considered good | 21,717.72 | 16,400.40 |
| Trade receivables - considered doubtful | 366.62 | 219.47 |
| Trade receivables (gross) | <u>22,084.34</u> | <u>16,619.87</u> |
| Less: Impairment allowance for trade receivables considered doubtful | (366.62) | (219.47) |
| Total | <u>21,717.72</u> | <u>16,400.40</u> |

NOTE 11 : CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Balance Sheet as follows:

| Particulars | (Rs. in Lakhs) | |
|--|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| Balance with banks : | | |
| Current accounts | 580.05 | 1,034.20 |
| Fixed deposits account with an original maturity of less than three months | 1.00 | 1.00 |
| Cash on hand | 9.22 | 7.41 |
| Total | <u>590.27</u> | <u>1,042.61</u> |

NOTE 12 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| Particulars | (Rs. in Lakhs) | |
|--|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| Deposits having original maturity more than 3 months but less than 12 months | 27.95 | 26.65 |
| Total | <u>27.95</u> | <u>26.65</u> |

Note:

Other bank balances represent fixed deposits with

NOTE 13 : LOANS

| Particulars | (Rs. in Lakhs) | |
|-------------------------------------|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| (Unsecured, considered good) | | |
| At amortised cost | | |
| Loans to employees | 57.13 | 59.07 |
| Total | <u>57.13</u> | <u>59.07</u> |

NOTE 14 : OTHER FINANCIAL ASSETS (CURRENT)

| Particulars | (Rs. in Lakhs) | |
|--|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| Unsecured, considered good | | |
| Interest accrued but not due on deposits with Banks | 5.67 | 5.57 |
| Interest accrued on loan given to subsidiary companies | 918.64 | 403.82 |
| Insurance claim receivable | 0.22 | 0.22 |
| Other Receivables | 1,112.53 | 88.88 |
| Lease receivable | 143.95 | 129.72 |
| Other loans & advances | 28.90 | 11.79 |
| Total | <u>2,209.91</u> | <u>640.00</u> |



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Sheela Foam Limited
Notes forming part of the standalone financial statements for the period ended December 31, 2023
(in Indian Rupees (Lakhs), unless otherwise stated)

NOTE 15 : OTHER CURRENT ASSETS

| Particulars | (Rs. in Lakhs) | |
|---|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| Unsecured, considered good | | |
| Advance to contractors/suppliers | 925.05 | 1,429.90 |
| Balances with Statutory/Government authorities: | | |
| - Excise & Custom | 56.37 | 250.80 |
| - GST | 851.30 | 904.09 |
| - VAT/Sales Tax | 483.57 | 486.14 |
| Prepaid expenses | 995.18 | 418.84 |
| Lease equalisation | 57.35 | 68.24 |
| Right to recover return goods | 155.17 | 146.12 |
| Total | <u>3,523.99</u> | <u>3,704.13</u> |



Sheela Foam Limited

Notes forming part of the standalone financial statements for the period ended December 31, 2023

NOTE 16 : EQUITY SHARE CAPITAL

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| (a) Authorised share capital: | | |
| 20,00,00,000 fully paid equity shares of Rs. 5/- each | 10,000.00 | 10,000.00 |
| (March 31, 2023 : 20,00,00,000 fully paid equity shares of Rs. 5/- each) | | |
| | <u>10,000.00</u> | <u>10,000.00</u> |
| Issued, subscribed & paid up share capital: | | |
| 10,86,97,341 fully paid equity shares of Rs. 5/- each | 5,434.87 | 4,878.28 |
| (March 31, 2023 : 9,75,65,616 equity shares of Rs. 5/- each) | | |
| Total | <u>5,434.87</u> | <u>4,878.28</u> |

(b) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

| | As at December 31, 2023 | | As at March 31, 2023 | |
|--|----------------------------|-----------------|-------------------------|-----------------|
| | Number of shares | Rs. in Lakhs | Number of shares | Rs. in Lakhs |
| At the beginning of the year | 9,75,65,616 | 4,878.28 | 4,87,82,808 | 2,439.14 |
| Bonus shares issued during the year | | | 4,87,82,808 | 2,439.14 |
| Fully paid up equity shares issued during the year | <u>1,11,31,725</u> | <u>556.59</u> | | |
| Outstanding at the end of the year | <u>10,86,97,341</u> | <u>5,434.87</u> | <u>9,75,65,616</u> | <u>4,878.28</u> |



Sheela Foam Limited
Notes forming part of the standalone financial statements for the period ended December 31, 2023
(in Indian Rupees (Lakhs), unless otherwise stated)

NOTE 17 : OTHER EQUITY

| Particulars | (Rs. in Lakhs) | |
|-----------------------------|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| Securities Premium | 1,14,624.20 | - |
| Retained earnings | 1,47,407.74 | 1,34,962.08 |
| Other comprehensive income | - | - |
| Share based payment reserve | 81.41 | - |
| Cash flow hedge reserve | (152.45) | (260.25) |
| Total | 2,61,960.90 | 1,34,701.83 |

| Particulars | (Rs. in Lakhs) | |
|---|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| Capital Reserve | | |
| Opening balance | - | 328.57 |
| Bonus shares issued during the year | - | (328.57) |
| Closing balance | - | - |
| General reserve | | |
| Opening balance | - | 1,716.27 |
| Bonus shares issued during the year | - | (1,716.27) |
| Closing balance | - | - |
| Securities Premium | | |
| Opening balance | - | - |
| Equity shares issued during the year | 1,19,443.41 | - |
| Equity Fund raising expenses | (4,819.21) | - |
| Closing balance | 1,14,624.20 | - |
| Retained earnings | | |
| Opening balance | 1,34,962.08 | 1,16,044.50 |
| Net profit for the year | 12,543.05 | 19,485.94 |
| Bonus shares issued during the year | - | (394.30) |
| Expenses towards Increase in authorised capital | - | (50.39) |
| Remeasurements of the net defined benefit plans (net of tax) | (97.39) | (123.67) |
| Closing balance | 1,47,407.74 | 1,34,962.08 |
| Other Comprehensive Income | | |
| Opening balance | - | 423.97 |
| Realised gain from debt instruments transferred to profit and loss (Net of Tax) | - | (423.97) |
| Closing balance | - | - |
| Share based payment reserve | | |
| Opening balance | - | - |
| Expenses on employees stock option schemes | 81.41 | - |
| Closing balance | 81.41 | - |
| Cash flow hedge reserve | | |
| Opening balance | (260.25) | - |
| Change in fair value of the hedge item | 107.80 | (260.25) |
| Closing balance | (152.45) | (260.25) |

NOTE 18 : BORROWINGS (NON-CURRENT)

| Particulars | (Rs. in Lakhs) | |
|----------------------------|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| Unsecured | | |
| Non-convertible Debentures | 72,041.86 | - |
| Total | 72,041.86 | - |



Sheela Foam Limited
Notes forming part of the standalone financial statements for the period ended December 31, 2023
(in Indian Rupees (Lakhs), unless otherwise stated)

NOTE 19 : LEASE LIABILITIES

| Particulars | (Rs. in Lakhs) | |
|-------------------|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| Lease liabilities | 3,573.77 | 1,615.25 |
| Total | 3,573.77 | 1,615.25 |
| Current | 494.09 | 127.06 |
| Non current | 3,079.68 | 1,488.19 |

NOTE 20 : OTHER NON CURRENT FINANCIAL LIABILITIES

| Particulars | (Rs. in Lakhs) | |
|---|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| Deposits from dealers and others | 1,870.29 | 2,528.16 |
| Unearned Interest Income on deposits from dealers | 62.56 | - |
| Unearned Rent Income | 14.83 | 20.00 |
| Total | 1,947.68 | 2,548.16 |

NOTE 21 : PROVISIONS

| Particulars | (Rs. in Lakhs) | |
|----------------------------------|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| Long-term provisions: | | |
| Provision for employee benefits: | | |
| -Compensated absences | 564.07 | 414.10 |
| Other provisions: | | |
| -Provision for warranty | 475.81 | 483.33 |
| Total | 1,039.88 | 897.43 |
| Short-term provisions: | | |
| Provision for employee benefits: | | |
| -Compensated absences | 9.66 | 9.66 |
| -Gratuity | 301.37 | 439.04 |
| Other provisions: | | |
| -Provision for warranty | 664.85 | 639.89 |
| Total | 975.88 | 1,088.59 |

NOTE 22 : OTHER NON CURRENT LIABILITIES

| Particulars | (Rs. in Lakhs) | |
|------------------------|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| Deferred capital grant | 17.72 | 19.85 |
| Total | 17.72 | 19.85 |



Sheela Foam Limited
Notes forming part of the standalone financial statements for the period ended December 31, 2023
(in Indian Rupees (Lakhs), unless otherwise stated)

NOTE 23 : DEFERRED TAX LIABILITIES (NET)

| Particulars | (Rs. in Lakhs) | |
|--------------------------------|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| Deferred tax liabilities (net) | 89.12 | 189.02 |
| Total | 89.12 | 189.02 |

NOTE 24 : BORROWINGS (CURRENT)

| Particulars | (Rs. in Lakhs) | |
|---|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| Secured | | |
| Working Capital Loan | 5,450.00 | - |
| Bank Overdraft | 4,545.87 | - |
| Unsecured | | |
| Current Maturities of Non-Convertible Debentures (Including Interest) | 1,439.50 | - |
| Total | 11,435.37 | - |

NOTE 25 : TRADE PAYABLES

| Particulars | (Rs. in Lakhs) | |
|---|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| Trade payables other than acceptances: | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | 746.95 | 630.91 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 14,163.09 | 17,645.99 |
| Total | 14,910.04 | 18,276.90 |

NOTE 26 : OTHER FINANCIAL LIABILITIES (CURRENT)

| Particulars | (Rs. in Lakhs) | |
|---|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| Creditors for capital goods | 800.49 | 68.63 |
| Deposits from dealers and others | 6,629.23 | 6,283.61 |
| Investor Warrants Exercise Price Payable | 5,565.19 | - |
| Call money payable against Equity Investment | 10.13 | - |
| Other financial liabilities | 16,875.31 | - |
| Liability against foreign currency swap contracts | 2,754.72 | 2,268.27 |
| Interest accrued but not due on borrowings | 11.74 | - |
| Unearned Interest Income on deposits from dealers | 27.80 | - |
| Unearned rent Income | 6.89 | 6.89 |
| Total | 32,501.50 | 8,627.40 |

NOTE 27 : CURRENT TAX LIABILITIES (NET)

| Particulars | (Rs. in Lakhs) | |
|--------------------|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| Income tax payable | (172.80) | 115.53 |
| Total | (172.80) | 115.53 |

NOTE 28 : OTHER CURRENT LIABILITIES

| Particulars | (Rs. in Lakhs) | |
|-------------------------------|----------------------------|-------------------------|
| | As at December 31, 2023 | As at March 31, 2023 |
| Refund liabilities | 263.01 | 235.95 |
| Deferred capital grant | 2.84 | 2.84 |
| Contract liabilities | 3,228.37 | 3,753.61 |
| Statutory dues payable | 1,322.02 | 1,575.51 |
| Employees & other Liabilities | 3,291.32 | 1,981.39 |
| Total | 8,107.56 | 7,949.30 |



Sheela Foam Limited

Notes forming part of the standalone financial statements for the period ended December 31, 2023
(in Indian Rupees (Lakhs), unless otherwise stated)

NOTE 29 : REVENUE FROM OPERATIONS

| Particulars | (Rs. in Lakhs) | |
|--------------------------------------|---|--------------------------------------|
| | For the period ended December 31, 2023 | For the year ended March 31, 2023 |
| Sale of products | 1,37,039.88 | 2,00,908.46 |
| Sale of services | 545.20 | 631.68 |
| | <u>1,37,585.08</u> | <u>2,01,540.14</u> |
| Other operating revenue | | |
| -Income from sale of processed scrap | 158.31 | 440.86 |
| -Other Operating Revenue | 2.15 | 0.56 |
| Total | <u>1,37,745.54</u> | <u>2,01,981.56</u> |

NOTE 30 : OTHER INCOME

| Particulars | (Rs. in Lakhs) | |
|--|---|--------------------------------------|
| | For the period ended December 31, 2023 | For the year ended March 31, 2023 |
| Interest income from: | | |
| Financial assets at amortised cost | | |
| Bank deposits | 1.98 | 14.12 |
| Loan given to subsidiary companies | 748.46 | 350.23 |
| Inter-corporate-deposit | - | 28.48 |
| Others | 185.08 | 194.61 |
| Financial assets at fair value | | |
| Currency swap forward contract | 376.92 | 335.17 |
| Bonds | - | 2,646.85 |
| Unwinding of discount of deposits & lease receivable | 81.80 | 140.14 |
| On income tax refund | - | 172.77 |
| Other non operating income | | |
| Guarantee commission | 102.24 | 121.90 |
| Rental income | 163.83 | 250.69 |
| Gain on sale/disposal of fixed assets | - | 48.56 |
| Liabilities/provisions no longer required written back | 0.16 | 11.66 |
| Income from sale of Mutual fund & MLD - designated at fair value through profit and loss | 3,893.72 | 889.31 |
| Income from sale of bond - designated at fair value through other comprehensive income | - | 975.30 |
| Fair valuation adjustments of Investments through profit and loss | 843.09 | 872.62 |
| Subsidy income | 2.13 | 2.84 |
| Sale of non-processed scrap | 383.87 | 633.46 |
| Net gain on foreign currency transactions and translations | 201.76 | 88.53 |
| Other miscellaneous income | 71.54 | 84.03 |
| Total | <u>7,056.58</u> | <u>7,861.27</u> |

NOTE 31 : COST OF MATERIALS CONSUMED

| Particulars | (Rs. in Lakhs) | |
|---|---|--------------------------------------|
| | For the period ended December 31, 2023 | For the year ended March 31, 2023 |
| Raw material | | |
| Opening inventory | 9,847.80 | 11,702.24 |
| Add: Purchases | 70,956.72 | 1,08,959.99 |
| Less: Sales/adjustments/return | 4,205.91 | 4,597.98 |
| Less: Closing inventory (including goods in transit of Rs. 1,718.03 Lakhs (March 31, 2023: Rs 2,702.45 Lakhs)) | <u>6,126.92</u> | <u>9,847.80</u> |
| Raw materials consumed | <u>70,471.69</u> | <u>1,06,216.45</u> |
| Packing Material | | |
| Opening inventory | 571.63 | 781.26 |
| Add: Purchases | 4,364.07 | 7,405.67 |
| Less: Sales/adjustments/return | 613.27 | 520.70 |
| Less: Closing inventory (including goods in transit of Rs 35.29 Lakhs (March 31, 2023: Rs 54.88 Lakhs)) | <u>497.38</u> | <u>571.63</u> |
| Packing materials consumed | <u>3,825.05</u> | <u>7,094.60</u> |
| Cost of materials consumed | <u>74,296.74</u> | <u>1,13,311.05</u> |



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Sheela Foam Limited
Notes forming part of the standalone financial statements for the period ended December 31, 2023
(in Indian Rupees (Lakhs), unless otherwise stated)

NOTE 32 : PURCHASE OF STOCK-IN-TRADE

| Particulars | (Rs. in Lakhs) | |
|--|---|--------------------------------------|
| | For the period ended December 31, 2023 | For the year ended March 31, 2023 |
| Traded Goods -Bed sheets/comforters/PU foam/spring/coir mattresses | 7,542.59 | 14,887.73 |
| Total | 7,542.59 | 14,887.73 |

NOTE 33 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK IN PROGRESS

| Particulars | (Rs. in Lakhs) | |
|--|---|--------------------------------------|
| | For the period ended December 31, 2023 | For the year ended March 31, 2023 |
| Closing stock: | | |
| Finished goods | 1,458.95 | 972.70 |
| Stock in trade | 310.36 | 1,429.24 |
| Work-in-progress | 4,216.33 | 5,013.43 |
| Right to recover return goods | 155.17 | 146.12 |
| | 6,140.81 | 7,561.49 |
| Opening stock: | | |
| Finished goods | 972.70 | 1,281.82 |
| Stock in trade | 1,429.24 | 840.21 |
| Work-in-progress | 5,013.43 | 4,912.92 |
| Right to recover return goods | 146.12 | 166.14 |
| | 7,561.49 | 7,201.09 |
| Changes in inventories of finished goods, Stock in Trade and work in progress | 1,420.68 | (360.40) |

NOTE 34 : OTHER MANUFACTURING EXPENSES

| Particulars | (Rs. in Lakhs) | |
|------------------------------|---|--------------------------------------|
| | For the period ended December 31, 2023 | For the year ended March 31, 2023 |
| Power and fuel | 542.65 | 780.93 |
| Repair and maintenance: | | |
| - Buildings | 103.88 | 238.53 |
| - Plant and equipment | 1,387.63 | 941.60 |
| Processing and other charges | 1,503.73 | 1,664.95 |
| Total | 3,537.89 | 3,626.01 |

NOTE 35 : EMPLOYEE BENEFITS EXPENSE

| Particulars | (Rs. in Lakhs) | |
|--|---|--------------------------------------|
| | For the period ended December 31, 2023 | For the year ended March 31, 2023 |
| Salaries, wages, allowance, and other benefits | 10,389.96 | 12,391.62 |
| Contribution to gratuity | 159.88 | 273.77 |
| Contribution to provident and other funds | 597.83 | 712.80 |
| Expenses on employees stock option schemes | 81.41 | |
| Workmen and staff welfare | 847.89 | 1,141.29 |
| Total | 12,076.97 | 14,519.48 |

NOTE 36 : FINANCE COSTS

| Particulars | (Rs. in Lakhs) | |
|---|---|--------------------------------------|
| | For the period ended December 31, 2023 | For the year ended March 31, 2023 |
| Interest expense: (on financial liabilities measured at amortised cost) | | |
| - On Security deposits | 408.00 | 526.92 |
| - On non-convertible debentures | 1,494.35 | - |
| - On borrowings from banks | 14.70 | |
| - On lease liabilities | 166.15 | 91.73 |
| - Others | 53.03 | 7.16 |
| Bank Charges | 9.44 | 11.57 |
| Total | 2,145.67 | 637.38 |

NOTE 37 : DEPRECIATION AND AMORTISATION EXPENSE

| Particulars | (Rs. in Lakhs) | |
|---|---|--------------------------------------|
| | For the period ended December 31, 2023 | For the year ended March 31, 2023 |
| Depreciation of property, plant and equipment | 2,973.22 | 3,295.19 |
| Depreciation on right-of-use assets | 214.01 | 61.00 |
| Depreciation on investment property | - | 20.20 |
| Total | 3,187.23 | 3,376.39 |



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Sheela Foam Limited

Notes forming part of the standalone financial statements for the period ended December 31, 2023
(in Indian Rupees (Lakhs), unless otherwise stated)

NOTE 38 : OTHER EXPENSES

| Particulars | (Rs. in Lakhs) | |
|--|---|--------------------------------------|
| | For the period ended December 31, 2023 | For the year ended March 31, 2023 |
| IT Support services | 1,287.72 | 1,640.25 |
| Freight and forwarding | 6,054.38 | 8,880.66 |
| Rent and hire | 467.00 | 388.75 |
| Insurance | 613.08 | 619.93 |
| Rates and taxes | 47.85 | 61.48 |
| Legal and professional | 521.37 | 1,200.25 |
| Other Maintenance | 590.64 | 1,265.11 |
| Selling and promotion | 3,053.30 | 6,932.02 |
| Travelling and conveyance | 1,096.76 | 1,475.64 |
| Loss on sale/disposal of fixed assets | 44.38 | - |
| Warranty | 609.21 | 1,175.79 |
| Advertisement | 5,616.54 | 6,124.86 |
| Net Loss on Foreign Currency Forward Contracts | 438.71 | 1,322.29 |
| Advances/Balances written off | 27.42 | 36.41 |
| Provision for Doubtful debts | 147.15 | 160.51 |
| Contributions towards CSR | 379.39 | 476.02 |
| Miscellaneous | 1,425.23 | 2,018.20 |
| Total | 22,420.13 | 33,778.17 |



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Sheela Foam Limited
Provisional Consolidated Balance Sheet as at December 31, 2023
(in Indian Rupees (Lakhs), unless otherwise stated)

| Particulars | Nota no. | As at December 31, 2023 | As at March 31, 2023 |
|--|----------|----------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 95,286.62 | 42,903.60 |
| Right-of-use assets | | 23,601.88 | 10,854.80 |
| Capital work-in-progress | | 29,871.19 | 28,749.03 |
| Intangible assets | | 1,87,498.36 | 27,402.04 |
| Intangible assets under development | | 319.99 | - |
| Investment property | | 5,114.00 | 5,338.81 |
| Investments accounted for using the equity method | | 35,313.54 | - |
| Financial assets | | | |
| (i) Investments | 1 | 46,890.60 | 5,641.29 |
| (ii) Loans | 2 | 200.47 | 193.91 |
| (iii) Other financial assets | 3 | 17,327.55 | 518.97 |
| Deferred tax asset | 4 | 1,458.61 | 1,367.82 |
| Non-current tax assets (net) | 5 | 3,094.42 | 1,238.76 |
| Other non-current assets | 6 | 1,674.76 | 3,543.14 |
| Total non-current assets | | 4,47,863.99 | 1,27,762.17 |
| Current assets | | | |
| Inventories | 7 | 33,953.64 | 33,132.88 |
| Financial assets | | | |
| (i) Investments | 8 | 7,323.19 | 71,195.73 |
| (ii) Trade receivables | 9 | 33,768.24 | 28,197.80 |
| (iii) Cash and cash equivalents | 10 | 2,903.65 | 4,227.05 |
| (iv) Bank balances other than cash and cash equivalents | 11 | 426.11 | 26.65 |
| (v) Loans | 12 | 189.53 | 67.05 |
| (vi) Other financial assets | 13 | 1,252.43 | 99.98 |
| Current tax assets (net) | 14 | 189.27 | - |
| Other current assets | 15 | 13,845.65 | 6,381.02 |
| Total current assets | | 93,861.71 | 1,43,327.76 |
| Assets held for sale/Assets included in disposal group(s) held for sale | | 80.79 | - |
| Total assets | | 5,41,586.49 | 2,71,079.93 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 16 | 5,434.87 | 4,878.28 |
| Other equity | 17 | 2,62,756.69 | 1,55,160.90 |
| Equity attributable to shareholders of the Holding Company | | 2,68,191.76 | 1,60,039.18 |
| Non-controlling interest | | 6,660.31 | 826.46 |
| Total equity | | 2,94,862.07 | 1,60,865.64 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 18 | 96,929.12 | 28,380.63 |
| (ii) Lease liabilities | 19 | 18,100.73 | 8,749.07 |
| (iii) Other non-current financial liabilities | 20 | 7,405.84 | 2,593.96 |
| Provisions | 21 | 2,457.10 | 1,304.19 |
| Other non-current liabilities | 22 | 17.72 | 19.85 |
| Deferred tax liabilities | 23 | 751.60 | 831.69 |
| Total non-current liabilities | | 1,25,662.11 | 41,879.39 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 24 | 30,791.75 | 18,380.43 |
| (ii) Lease liabilities | 19 | 4,219.48 | 1,598.40 |
| (iii) Trade payables | | | |
| - Total outstanding dues of micro enterprises and small enterprises | 25 | 1,293.55 | 722.01 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 25 | 37,564.19 | 25,219.37 |
| (iv) Other financial liabilities | 26 | 34,107.35 | 9,170.50 |
| Provisions | 21 | 2,576.30 | 2,050.75 |
| Current tax liabilities (net) | 27 | 106.19 | 117.14 |
| Other current liabilities | 28 | 10,413.50 | 11,076.30 |
| Total current liabilities | | 1,21,072.31 | 88,334.80 |
| Total liabilities | | 2,46,734.42 | 1,10,214.29 |
| Total equity and liabilities | | 5,41,586.49 | 2,71,079.93 |

Sheela Foam Limited
CIN: L74899DL1971PLC005679

Tushar Gautam
Managing Director
DIN: 01846487

Place: Noida
Date: February 25, 2024



Sheela Foam Limited
Provisional Consolidated Statement of Profit and Loss for the period ended December 31, 2023
(in Indian Rupees (Lakhs), unless otherwise stated)

| Particulars | Note no. | For the period ended December 31, 2023 | For the year ended March 31, 2023 |
|---|----------|---|--------------------------------------|
| Income | | | |
| Revenue from operations | 29 | 2,13,716.21 | 2,87,332.09 |
| Other income | 30 | 8,042.09 | 8,650.12 |
| Total Income | | 2,21,758.30 | 2,95,982.21 |
| Expenses | | | |
| Cost of materials consumed | 31 | 1,13,694.93 | 1,61,830.43 |
| Purchase of stock-in-trade | 32 | 8,570.15 | 18,063.14 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 33 | 4,954.66 | (1,208.72) |
| Other manufacturing expenses | 34 | 7,259.27 | 6,764.73 |
| Employee benefits expense | 35 | 24,656.39 | 27,915.33 |
| Finance costs | 36 | 4,164.36 | 2,107.07 |
| Depreciation and amortisation expense | 37 | 7,444.63 | 8,962.43 |
| Other expenses | 38 | 32,578.52 | 44,239.52 |
| Total Expenses | | 2,03,322.91 | 2,68,673.93 |
| Profit before tax and Exceptional Items | | 18,435.39 | 27,308.28 |
| Exceptional items | | 1,095.25 | - |
| Profit before tax | | 17,340.14 | 27,308.28 |
| Income Tax expense | | | |
| Current tax | | 4,820.29 | 7,875.59 |
| Tax expenses related to earlier years | | - | (77.20) |
| Deferred tax (net) | | (114.66) | (796.33) |
| Total Income tax expense | | 4,706.63 | 7,002.06 |
| Profit for the period/year before share of profit/loss from associate | | 12,634.51 | 20,306.22 |
| Share in profit / (loss) of Associate (net) | | (755.81) | - |
| Profit for the period/year | | 11,878.70 | 20,306.22 |
| Other comprehensive income (net of tax) | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Remeasurements gain / (loss) of the net defined benefit plans | | (142.66) | (181.17) |
| Income tax on above item | | 35.91 | 45.60 |
| Share of Other Comprehensive Income in Associate to the extent not to be classified into profit or loss | | (0.60) | - |
| <i>Items that will be reclassified to profit or loss</i> | | | |
| Fair value gain / (loss) on investments and other financial instruments | | 62.42 | (347.78) |
| Income tax on above item | | (15.71) | 87.53 |
| Share of Other Comprehensive Income in Associate to the extent to be classified into profit or loss | | (0.41) | - |
| Exchange differences on translation of foreign operations | | 981.30 | 1,647.08 |
| Total Other comprehensive income/ (loss) (net of tax) | | 920.25 | 1,251.26 |
| Total comprehensive income for the year | | 12,798.95 | 21,557.48 |
| Profit for the year attributable to: | | | |
| Shareholders of the Holding Company | | 11,782.56 | 20,115.67 |
| Non-controlling Interest | | 96.14 | 190.55 |
| | | 11,878.70 | 20,306.22 |
| Other Comprehensive income for the year attributable to: | | | |
| Shareholders of the Holding Company | | 920.25 | 1,251.26 |
| Non-controlling Interest | | - | - |
| | | 920.25 | 1,251.26 |
| Total Comprehensive Income for the year attributable to: | | | |
| Shareholders of the Holding Company | | 12,702.81 | 21,366.93 |
| Non-controlling Interest | | 96.14 | 190.55 |
| | | 12,798.95 | 21,557.48 |

Sheela Foam Limited
 CIN: L74899DL1971PLC005679

Tushant Gautam
 Managing Director
 DIN: 01546481



Place: Noida
 Date: February 06, 2024

Sheela Foam Limited

Notes forming part of the provisional consolidated financial statements for the period ended December 31, 2023
(in Indian Rupees (Lakhs), unless otherwise stated)

NOTE 1 : INVESTMENTS (NON CURRENT)

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|--|----------------------------|-------------------------|
| In Bonds & Debentures - fully paid up | | |
| Carried at amortised cost - Unquoted | 0.35 | 0.35 |
| Carried at fair value through Profit & Loss - Unquoted | 46,890.25 | 5,640.94 |
| Total Investments | 46,890.60 | 5,641.29 |

NOTE 2 : LOANS (NON CURRENT)

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|-------------------------------------|----------------------------|-------------------------|
| (Unsecured, considered good) | | |
| At amortised cost | | |
| Loans to employees | 12.18 | 10.53 |
| Other Loans | 188.29 | 183.38 |
| Total | 200.47 | 193.91 |

NOTE 3 : OTHER FINANCIAL ASSETS (NON CURRENT)

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|---|----------------------------|-------------------------|
| (Unsecured, considered good) | | |
| Security deposits | 17,117.17 | 517.63 |
| Deposits with Banks: | | |
| - Fixed deposits account with an original maturity of more than 12 months | 82.50 | - |
| - held as margin money | 6.81 | 1.34 |
| - Others | 121.07 | - |
| Total | 17,327.55 | 518.97 |

NOTE 4 : DEFERRED TAX ASSETS

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|---------------------|----------------------------|-------------------------|
| Deferred tax assets | 1,458.61 | 1,367.82 |
| Total | 1,458.61 | 1,367.82 |

NOTE 5 : NON CURRENT TAX ASSETS (NET)

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|--------------------|----------------------------|-------------------------|
| Advance income tax | 3,094.42 | 1,238.76 |
| Total | 3,094.42 | 1,238.76 |

NOTE 6 : OTHER NON CURRENT ASSETS

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|-------------------------------------|----------------------------|-------------------------|
| (Unsecured, considered good) | | |
| Capital advances* | 1,419.83 | 3,357.30 |
| Prepaid rent | 38.48 | 38.48 |
| Loan and advances | 216.45 | 147.36 |
| Total | 1,674.76 | 3,543.14 |

NOTE 7 : INVENTORIES

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|---|----------------------------|-------------------------|
| (Valued at lower of cost and net realisable value unless otherwise stated) | | |
| Raw materials | 17,913.67 | 17,906.82 |
| Raw materials (In transit) | 1,188.64 | 1,913.61 |
| Work-in-progress | 3,893.66 | 5,397.21 |
| Finished goods | 6,190.91 | 3,429.56 |
| Stock-in-trade | 2,030.36 | 2,590.31 |
| Packing materials | 550.81 | 593.20 |
| Packing materials (In transit) | 36.95 | 40.68 |
| Stores and spares | 2,137.99 | 1,236.80 |
| Stores & spares (In transit) | 10.65 | 24.49 |
| Total | 33,953.64 | 33,132.68 |



Sheela Foam Limited
Notes forming part of the provisional consolidated financial statements for the period ended December 31, 2023
(in Indian Rupees (Lakhs), unless otherwise stated)

NOTE 8 : INVESTMENTS (CURRENT)

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|--|----------------------------|-------------------------|
| In Mutual Funds - fully paid up | | |
| Carried at fair value through profit and loss - Quoted | 7,295.19 | 71,168.46 |
| In Bonds & Debentures - fully paid up | | |
| Carried at amortised cost - Unquoted | 28.00 | 27.27 |
| Total Investments | 7,323.19 | 71,195.73 |

NOTE 9 : TRADE RECEIVABLES

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|--|----------------------------|-------------------------|
| (At amortised cost) | | |
| Unsecured | | |
| Trade receivables - considered good | 35,701.65 | 28,197.60 |
| Trade receivables - considered doubtful | 778.41 | 2,553.65 |
| Trade receivables (gross) | 36,480.06 | 30,751.25 |
| Less: Impairment allowance for trade receivables | (2,711.82) | (2,553.65) |
| Total | 33,768.24 | 28,197.60 |

NOTE 10 : CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Balance Sheet as follows:

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|--|----------------------------|-------------------------|
| Balance with banks : | | |
| Current accounts | 2,801.01 | 4,072.18 |
| Unpaid Dividend Account | 58.28 | - |
| Fixed deposits account with an original maturity of less than three months | 1.00 | 141.76 |
| Cash on hand | 43.36 | 13.11 |
| Total | 2,903.65 | 4,227.05 |

NOTE 11 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|--|----------------------------|-------------------------|
| Deposits having original maturity more than 3 months but less than 12 months | 426.11 | 26.65 |
| Total | 426.11 | 26.65 |

NOTE 12 : LOANS (CURRENT)

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|-------------------------------------|----------------------------|-------------------------|
| (Unsecured, considered good) | | |
| (At amortised cost) | | |
| Loans to employees | 107.42 | 67.05 |
| Inter-corporate deposits | - | - |
| Other Loans | 82.11 | - |
| Total | 189.53 | 67.05 |

NOTE 13 : OTHER FINANCIAL ASSETS (CURRENT)

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|---|----------------------------|-------------------------|
| Unsecured, considered good | | |
| Interest accrued but not due on deposits with Banks, bonds and debentures | 31.01 | 7.83 |
| Insurance claim receivable | 0.22 | 0.22 |
| Other Receivables | 1,041.53 | - |
| Rodtep incentive receivable | 19.04 | 14.71 |
| Other loans and advances | 160.63 | 77.22 |
| Total | 1,252.43 | 99.98 |



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Sheela Foam Limited

Notes forming part of the provisional consolidated financial statements for the period ended December 31, 2023
(in Indian Rupees (Lakhs), unless otherwise stated)

Note 14 : CURRENT TAX ASSETS (NET)

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|--------------------------|----------------------------|-------------------------|
| Provision for income tax | 189.27 | - |
| Total | 189.27 | - |

NOTE 15 : OTHER CURRENT ASSETS

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|---|----------------------------|-------------------------|
| Unsecured, considered good | | |
| Advance to contractors/suppliers | 6,761.67 | 1,874.32 |
| Balances with Statutory/Government authorities: | | |
| - Excise & Custom | 56.37 | 250.80 |
| - GST | 3,743.15 | 2,804.17 |
| - VAT/Sales Tax | 487.12 | 488.11 |
| Prepaid expenses | 2,542.30 | 625.29 |
| Lease equalisation | 57.35 | 68.24 |
| Other loans and advances | 42.52 | 123.97 |
| Right to recover return goods | 155.17 | 146.12 |
| Total | 13,845.65 | 6,381.02 |



Sheela Foam Limited

Notes forming part of the provisional consolidated financial statements for the period ended December 31, 2023
(in Indian Rupees (Lakhs), unless otherwise stated)

NOTE 16 : EQUITY SHARE CAPITAL

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|--|----------------------------|-------------------------|
| (a) Authorised share capital: | | |
| 20,00,00,000 fully paid equity shares of Rs. 5/- each | 10,000.00 | 10,000.00 |
| (March 31, 2023 : 20,00,00,000 fully paid equity shares of Rs. 5/- each) | | |
| | <u>10,000.00</u> | <u>10,000.00</u> |
| Issued, subscribed & paid up share capital: | | |
| 10,86,97,341 fully paid equity shares of Rs. 5/- each | 5,434.87 | 4,878.28 |
| (March 31, 2023 : 9,75,65,616 fully paid equity shares of Rs. 5/- each) | | |
| Total | <u>5,434.87</u> | <u>4,878.28</u> |

(b) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

| | As at December 31, 2023 | | As at March 31, 2023 | |
|--|----------------------------|-----------------|-------------------------|-----------------|
| | Number of shares | (Rs. in Lakhs) | Number of shares | (Rs. in Lakhs) |
| At the beginning of the year | 9,75,65,616 | 4,878.28 | 4,87,82,808 | 2,439.14 |
| Bonus shares issued during the year | - | - | 4,87,82,808 | 2,439.14 |
| Fully paid up equity shares issued during the year | <u>1,11,31,725</u> | <u>556.59</u> | - | - |
| Outstanding at the end of the year | <u>10,86,97,341</u> | <u>5,434.87</u> | <u>9,75,65,616</u> | <u>4,878.28</u> |



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Sheela Foam Limited

Notes forming part of the provisional consolidated financial statements for the period ended December 31, 2023
(in Indian Rupees (Lakhs), unless otherwise stated)

NOTE 17 : OTHER EQUITY

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|--------------------------------------|----------------------------|-------------------------|
| Capital reserve | 145.95 | 67.05 |
| General reserve | - | - |
| Retained earnings | 1,62,560.15 | 1,50,763.76 |
| Other comprehensive income | - | - |
| Cash flow hedge reserve | (213.54) | (260.25) |
| Share based payment reserve | 81.41 | - |
| Statutory Reserve | 5.65 | - |
| Foreign currency translation reserve | 5,507.72 | 4,526.94 |
| Capital Subsidy | 45.35 | 63.40 |
| Security premium | 1,14,624.20 | - |
| Total | 2,82,756.89 | 1,55,160.90 |

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|---|----------------------------|-------------------------|
| Capital reserve | | |
| Opening balance | 67.05 | 395.62 |
| Gain on acquisition of Assets | 78.90 | - |
| Bonus Share issued during the year | - | (328.57) |
| Closing balance | 145.95 | 67.05 |
| General Reserve | | |
| Opening balance | - | 1,716.27 |
| Bonus Share issued during the year | - | (1,716.27) |
| General Reserve | - | - |
| Retained earnings | | |
| Opening balance | 1,50,763.76 | 1,31,331.19 |
| Net profit for the year | 11,782.56 | 20,115.67 |
| Share of OCI in Associate | (0.60) | - |
| Transferred to Statutory Reserve | (5.60) | - |
| Bonus shares issued during the year | - | (394.30) |
| Expenses towards increase in authorised capital | - | (50.39) |
| Dividend paid to non-controlling interest | 88.68 | (103.00) |
| Remeasurements of the net defined benefit plans (net of tax) | (106.75) | (135.57) |
| Loss on further acquisition in Subsidiary during the period | (2.85) | - |
| Other adjustments | 40.95 | 0.16 |
| Closing balance | 1,62,560.15 | 1,50,763.76 |
| Other Comprehensive Income | | |
| Opening balance | - | 423.97 |
| Realised gain from debt instruments transferred to profit and loss (Net of Tax) | - | (423.97) |
| Closing balance | - | - |
| Cash flow hedge reserve | | |
| Opening balance | (260.25) | - |
| Loss on cash flow hedge reserve (net of tax) | 46.71 | (260.25) |
| Closing balance | (213.54) | (260.25) |
| Share based payment reserve | | |
| Opening balance | - | - |
| Expenses on employees stock option schemes | 81.41 | - |
| Closing balance | 81.41 | - |
| Statutory Reserve | | |
| Opening balance | - | - |
| Transferred during the year | 5.65 | - |
| Closing balance | 5.65 | - |
| Foreign currency translation | | |
| Opening balance | 4,526.94 | 2,879.86 |
| Share of OCI in Joint Venture | (0.41) | - |
| Exchange gain on translation (net) during the year | 981.19 | 1,647.08 |
| Closing balance | 5,507.72 | 4,526.94 |
| Capital Subsidy | | |
| Opening balance | 63.40 | 70.57 |
| Amortizations/repayments | (18.05) | (7.17) |
| Closing balance | 45.35 | 63.40 |



Sheela Foam Limited
Notes forming part of the provisional consolidated financial statements for the period ended December 31, 2023
(in Indian Rupees (Lakhs), unless otherwise stated)

Securities Premium

| | | |
|--------------------------------------|--------------------|--|
| Opening balance | | |
| Equity shares issued during the year | 1,19,443.41 | |
| Equity Fund raising expenses | (4,819.21) | |
| Closing balance | 1,14,624.20 | |

NOTE 18 : NON CURRENT BORROWINGS

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|-----------------------------|----------------------------|-------------------------|
| Secured | | |
| Term loan from banks | | |
| - INR bank loan | 3,054.62 | 4,072.83 |
| - USD bank loan | 4,424.15 | 5,802.25 |
| - AUD Term Loan | 4,756.63 | 6,045.95 |
| - EURO Term Loan | 12,651.86 | 12,459.60 |
| | 24,887.26 | 28,380.63 |
| Unsecured | | |
| Non-convertible Debentures | 72,041.86 | |
| | 72,041.86 | |
| Total | 96,929.12 | 28,380.63 |

NOTE 19 : LEASE LIABILITIES

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|-------------------|----------------------------|-------------------------|
| Lease liabilities | 22,320.21 | 10,347.47 |
| Total | 22,320.21 | 10,347.47 |
| Current | 4,219.48 | 1,598.40 |
| Non current | 18,100.73 | 8,749.07 |

NOTE 20 : OTHER NON CURRENT FINANCIAL LIABILITIES

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|--------------------------------------|----------------------------|-------------------------|
| Deposits from dealers and others | 7,232.83 | 2,528.16 |
| Unearned Interest Income on Deposits | 62.56 | - |
| Unearned Rent Income | 14.83 | 20.00 |
| Others | 95.62 | 45.80 |
| Total | 7,405.84 | 2,593.96 |

NOTE 21 : PROVISIONS

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|----------------------------------|----------------------------|-------------------------|
| Long term provisions: | | |
| Provision for employee benefits: | | |
| -Compensated absences | 870.50 | 671.82 |
| -Gratuity | 455.74 | 149.04 |
| Other provisions: | | |
| -Provision for warranty | 1,130.86 | 483.33 |
| Total | 2,457.10 | 1,304.19 |
| Short term provisions: | | |
| Provision for employee benefits: | | |
| -Compensated absences | 1,332.89 | 968.96 |
| -Gratuity | 578.56 | 441.90 |
| Other provisions: | | |
| -Provision for warranty | 664.85 | 639.89 |
| Total | 2,576.30 | 2,050.75 |

NOTE 22 : OTHER NON CURRENT LIABILITIES

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|------------------------|----------------------------|-------------------------|
| Deferred capital grant | 17.72 | 19.85 |
| Total | 17.72 | 19.85 |



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Sheela Foam Limited

Notes forming part of the provisional consolidated financial statements for the period ended December 31, 2023
(in Indian Rupees (Lakhs), unless otherwise stated)

NOTE 23 : DEFERRED TAX LIABILITIES

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|--------------------------|----------------------------|-------------------------|
| Deferred tax liabilities | 751.60 | 831.69 |
| Total | 751.60 | 831.69 |

NOTE 24 : BORROWINGS (CURRENT)

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|---|----------------------------|-------------------------|
| Secured | | |
| Term loan from banks | | |
| - INR bank loan | 1,370.48 | 1,357.61 |
| - USD bank loan | 1,930.39 | 1,934.08 |
| - AUD Term Loan | 1,937.64 | 1,886.50 |
| - EURO Term Loan | 3,224.80 | 5,960.88 |
| Working capital Loans from Banks | 8,275.73 | 1,925.80 |
| | 16,739.04 | 13,064.87 |
| Unsecured | | |
| Loan from financial credit institutions | 8,067.34 | 5,315.56 |
| Current Maturities of Non-Convertible Debentures (including interest) | 1,439.50 | - |
| Bank Overdraft | 4,545.87 | - |
| | 14,052.71 | 5,315.56 |
| Total | 30,791.75 | 18,380.43 |

NOTE 25 : TRADE PAYABLES

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|---|----------------------------|-------------------------|
| Trade payables other than acceptances: | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | 1,293.55 | 722.01 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 37,564.19 | 25,219.37 |
| Total | 38,857.74 | 25,941.38 |

NOTE 26 : OTHER CURRENT FINANCIAL LIABILITIES

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|---|----------------------------|-------------------------|
| Deposits from dealers and others | 6,664.53 | 6,283.61 |
| Creditors for capital goods | 1,759.65 | 587.55 |
| Liability against foreign currency swap contracts | 2,763.66 | 2,268.27 |
| Investor Warrants Exercise Price Payable | 5,585.19 | - |
| Call money payable against Equity Investment | 10.13 | - |
| Interest accrued but not due on borrowings | 41.78 | 16.01 |
| Other liabilities | 17,189.34 | 8.17 |
| Unpaid Dividend Account | 58.38 | - |
| Unearned Interest Income | 27.80 | - |
| Unearned Rent Income | 6.89 | 6.89 |
| Total | 34,107.35 | 9,170.50 |

NOTE 27 : CURRENT TAX LIABILITIES (NET)

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|--------------------------|----------------------------|-------------------------|
| Provision for income tax | 106.19 | 117.14 |
| Total | 106.19 | 117.14 |

NOTE 28 : OTHER CURRENT LIABILITIES

| Particulars | As at December 31, 2023 | As at March 31, 2023 |
|-------------------------------|----------------------------|-------------------------|
| Refund liabilities | 263.01 | 235.95 |
| Deferred capital grant | 2.84 | 2.84 |
| Contract liabilities | 3,709.15 | 3,774.66 |
| Statutory dues payable | 2,220.15 | 2,390.84 |
| Employees & other Liabilities | 4,218.35 | 4,672.01 |
| Total | 10,413.50 | 11,076.30 |



Sheela Foam Limited

Notes forming part of the provisional consolidated financial statements for the period ended December 31, 2023
(in Indian Rupees (Lakhs), unless otherwise stated)

NOTE 29 : REVENUE FROM OPERATIONS

| Particulars | For the period ended December 31, 2023 | For the year ended March 31, 2023 |
|----------------------------|---|--------------------------------------|
| Sale of products | 2,12,181.76 | 2,86,011.15 |
| Sale of services | 1,268.86 | 825.13 |
| | 2,13,450.62 | 2,86,836.28 |
| Other operating revenue | | |
| -Rodtep scheme subsidy | 6.47 | 13.68 |
| -Income from sale of scrap | 259.12 | 482.13 |
| Total | 2,13,716.21 | 2,87,332.09 |

NOTE 30 : OTHER INCOME

| Particulars | For the period ended December 31, 2023 | For the year ended March 31, 2023 |
|---|---|--------------------------------------|
| Interest income from: | | |
| Financial assets at amortised cost | | |
| Bank deposits | 24.26 | 16.01 |
| Inter-corporate-deposit | - | 28.48 |
| Currency Swap Forward contract | 376.92 | 335.17 |
| Security deposits | 5.56 | 2.23 |
| Others | 191.91 | 107.22 |
| Financial assets at fair value | | |
| Bonds | - | 2,646.85 |
| Unwinding of discount of deposits | 15.77 | 140.14 |
| On income tax refund | 2.65 | 176.37 |
| Other non operating income | | |
| Rental income | 1,024.05 | 1,256.62 |
| Gain on sale/disposal of fixed assets | 62.68 | 48.72 |
| Liabilities/provisions no longer required written back | 590.65 | 12.15 |
| Income from sale of Investments | 3,897.73 | 1,868.80 |
| Fair valuation adjustments of Investments through profit and loss | 875.12 | 899.08 |
| Subsidy income | 2.13 | 2.84 |
| Grant income | 36.93 | 34.59 |
| Sale of non-processed scrap | 420.22 | 675.79 |
| Net gain on foreign currency transactions and translations | 305.08 | 187.91 |
| Other miscellaneous income | 210.43 | 211.15 |
| Total | 8,042.09 | 8,650.12 |

NOTE 31 : COST OF MATERIALS CONSUMED

| Particulars | For the period ended December 31, 2023 | For the year ended March 31, 2023 |
|-----------------------------------|---|--------------------------------------|
| Raw material | | |
| Opening inventory | 19,894.13 | 19,393.37 |
| Taken over during Acquisition | 2,710.83 | - |
| Add: Purchases | 1,10,245.39 | 1,58,835.62 |
| Less: Sales/adjustments | (4,178.72) | (4,255.46) |
| Less: Closing inventory | (19,102.31) | (19,894.13) |
| Raw materials consumed | 1,09,569.32 | 1,54,079.40 |
| Packing Material | | |
| Opening inventory | 633.88 | 894.79 |
| Add: Purchases | 4,705.71 | 8,018.11 |
| Less: Sales/adjustments | (626.22) | (527.99) |
| Less: Closing inventory | (587.76) | (633.88) |
| Packing materials consumed | 4,125.61 | 7,751.03 |
| Cost of materials consumed | 1,13,694.93 | 1,61,830.43 |

NOTE 32 : PURCHASE OF STOCK-IN-TRADE

| Particulars | For the period ended December 31, 2023 | For the year ended March 31, 2023 |
|--|---|--------------------------------------|
| Traded Goods -Bed sheets/comforters/PU foam/spring/coir mattresses | 8,570.15 | 18,063.14 |
| Total | 8,570.15 | 18,063.14 |



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Sheela Foam Limited

Notes forming part of the provisional consolidated financial statements for the period ended December 31, 2023
(in Indian Rupees (Lakhs), unless otherwise stated)

NOTE 33 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK IN PROGRESS

| Particulars | For the period ended December 31, 2023 | For the year ended March 31, 2023 |
|--|---|--------------------------------------|
| Closing stock: | | |
| Finished Goods | 6,190.91 | 3,429.56 |
| Stock in trade | 2,030.36 | 2,590.31 |
| Work-in-progress | 3,893.66 | 5,397.21 |
| Right to recover return goods | 155.17 | 146.12 |
| | <u>12,270.10</u> | <u>11,563.20</u> |
| Opening stock: | | |
| Finished Goods | 3,429.56 | 4,016.91 |
| Stock in trade | 2,590.31 | 840.21 |
| Work-in-progress | 5,397.21 | 5,331.22 |
| Right to recover return goods | 146.12 | 166.14 |
| Taken over during Acquisition | 5,661.56 | - |
| | <u>17,224.76</u> | <u>10,354.48</u> |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | <u>4,954.66</u> | <u>(1,208.72)</u> |

NOTE 34 : OTHER MANUFACTURING EXPENSES

| Particulars | For the period ended December 31, 2023 | For the year ended March 31, 2023 |
|------------------------------|---|--------------------------------------|
| Power and fuel | 1,499.39 | 1,731.44 |
| Repair and maintenance: | | |
| - Buildings | 113.62 | 241.33 |
| - Plant and equipment | 2,277.19 | 2,139.02 |
| Processing and other charges | 3,369.07 | 2,652.94 |
| Total | <u>7,259.27</u> | <u>6,764.73</u> |

NOTE 35 : EMPLOYEE BENEFITS EXPENSE

| Particulars | For the period ended December 31, 2023 | For the year ended March 31, 2023 |
|--|---|--------------------------------------|
| Salaries, wages, allowance, and other benefits | 22,224.17 | 24,839.81 |
| Contribution to gratuity | 400.48 | 307.94 |
| Contribution to provident and other funds | 1,352.62 | 1,502.64 |
| Expenses on employees stock option schemes | 81.41 | - |
| Workmen and staff welfare expenses | 1,000.35 | 1,325.48 |
| | <u>25,059.03</u> | <u>27,975.87</u> |
| Less: Transfer to Capital work-in-progress / Capitalised | 402.64 | 60.54 |
| Total | <u>24,656.39</u> | <u>27,915.33</u> |

NOTE 36 : FINANCE COSTS

| Particulars | For the period ended December 31, 2023 | For the year ended March 31, 2023 |
|--|---|--------------------------------------|
| Interest expense: | | |
| - On borrowings from banks | 1,551.72 | 1,171.85 |
| - On borrowings from Group Company | - | - |
| - On non-convertible debentures | 1,494.35 | - |
| - Security deposits | 408.00 | 526.92 |
| - On lease liabilities | 668.56 | 464.48 |
| - Others | 264.78 | 111.58 |
| Bank Charges | 83.26 | 87.16 |
| | <u>4,470.67</u> | <u>2,361.99</u> |
| Less: Transfer to Capital work-in-progress / Capitalised | 306.31 | 254.92 |
| Total | <u>4,164.36</u> | <u>2,107.07</u> |

NOTE 37 : DEPRECIATION AND AMORTISATION EXPENSE

| Particulars | For the period ended December 31, 2023 | For the year ended March 31, 2023 |
|---|---|--------------------------------------|
| Depreciation of property, plant and equipment | 5,189.74 | 5,750.35 |
| Depreciation on right-of-use assets | 2,061.66 | 2,932.19 |
| Amortisation of intangible assets | 9.22 | 1.59 |
| Depreciation on investment property | 184.01 | 278.30 |
| Total | <u>7,444.63</u> | <u>8,962.43</u> |



Sheela Foam Limited

Notes forming part of the provisional consolidated financial statements for the period ended December 31, 2023
(in Indian Rupees (Lakhs), unless otherwise stated)

NOTE 38 : OTHER EXPENSES

| Particulars | For the period ended December 31, 2023 | For the year ended March 31, 2023 |
|--|---|--------------------------------------|
| Freight and forwarding | 10,650.55 | 13,660.00 |
| Rent and hire | 722.16 | 833.94 |
| Insurance | 1,621.47 | 1,537.60 |
| Rates and taxes | 579.09 | 417.44 |
| Legal and professional | 1,306.95 | 1,616.93 |
| Other Maintenance | 934.52 | 1,329.29 |
| Selling and promotion | 4,197.88 | 7,639.87 |
| Travelling and conveyance | 1,407.93 | 1,743.26 |
| Advertisement | 7,233.74 | 7,452.27 |
| Warranty | 609.21 | 1,175.79 |
| Net Loss on Foreign Currency Forward Contracts | 438.71 | 1,322.29 |
| Contribution towards corporate social responsibility expenditure | 379.39 | 476.02 |
| Net loss on foreign currency transactions and translations | 47.55 | 441.08 |
| IT Support services | 170.59 | 218.13 |
| Bad debts | 76.37 | 510.60 |
| Provision for Bad debts | 237.25 | 360.20 |
| Loss on sale/disposal of fixed assets | 78.08 | - |
| Miscellaneous | 2,153.56 | 3,695.10 |
| | 32,845.00 | 44,429.81 |
| Less: Transfer to Capital work-in-progress / Capitalised | 266.48 | 190.29 |
| Total | 32,578.52 | 44,239.52 |



MSKA & Associates

Chartered Accountants

The Palm Springs Plaza
Office No. 1501-B, 15th floor
Sector-54, Golf Course Road
Gurugram 122001, INDIA
Tel: +91 12 4281 9000

Independent Auditor's Review Report on unaudited Standalone financial results for the quarter and year to date of Sheela foam Limited pursuant to the Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To The Board of Directors of Sheela Foam Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of **Sheela Foam Limited** ('the Company') for the quarter ended December 31, 2023 and the year to-date results for the period from April 01, 2023 to December 31, 2023 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulations').
2. This Statement, which is the responsibility of Company's Management and has been approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder ('Ind AS 34'), and other recognised accounting principles generally accepted in India, and is in compliance with the Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 and other recognised accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.105047W


Nipun Gupta
Partner

Membership No.: 502896
UDIN: 24502896BKGFKO3031



Place: Gurugram
Date: February 06, 2024

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SHEELA FOAM LIMITED

Regd. office: 604, Ashadeep, 9 Hailey Road, New Delhi-110001
 Corporate Office: Sleepwell Tower, Plot No.-14, Sector 135, Noida, Gautam Budh Nagar (U.P.) -201301
 Tel: 0120-4162200, Fax: 0120-41622825
 CIN- L74899DL1971PLC005679

UNAUDITED STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023

(Rs. in Lakhs, Except per share data)

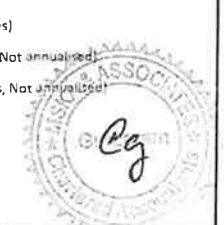
| Sr. No. | Particulars | Quarter Ended | | | Period Ended | | Year Ended |
|---------|--|-------------------|--------------------|-------------------|--------------------|--------------------|--------------------|
| | | December 31, 2023 | September 30, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 | March 31, 2023 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| I | Income | | | | | | |
| | a) Revenue from operations | 51,268.26 | 41,694.14 | 51,541.91 | 1,37,745.54 | 1,49,892.72 | 2,01,981.56 |
| | b) Other Income | 2,393.88 | 2,324.31 | 2,395.94 | 7,056.58 | 5,909.90 | 7,861.27 |
| | Total Income [(a) + (b)] | 53,662.14 | 44,018.45 | 53,937.85 | 1,44,802.12 | 1,55,802.62 | 2,09,842.83 |
| II | Expenses | | | | | | |
| | a) Cost of materials consumed | 26,474.11 | 22,962.02 | 27,763.11 | 74,296.74 | 87,364.77 | 1,13,311.05 |
| | b) Purchase of stock-in-trade | 4,234.16 | 2,064.93 | 4,376.45 | 7,542.59 | 10,401.84 | 14,887.73 |
| | c) Changes in inventories of finished goods, stock-in-trade and work-in-progress | (3.89) | 27.45 | 1,178.91 | 1,420.68 | (1,435.67) | (360.40) |
| | d) Other manufacturing expenses | 1,362.04 | 1,013.26 | 737.25 | 3,537.89 | 2,862.41 | 3,626.01 |
| | e) Employee benefits expense | 3,954.04 | 4,187.46 | 3,403.35 | 12,076.97 | 10,539.07 | 14,519.48 |
| | f) Finance costs | 1,713.70 | 227.62 | 73.22 | 2,145.67 | 452.63 | 637.38 |
| | g) Depreciation and amortisation expense | 1,202.30 | 1,073.55 | 843.27 | 3,187.23 | 2,355.34 | 3,376.39 |
| | h) Other expenses | 9,842.87 | 6,583.51 | 8,867.33 | 22,420.13 | 24,159.66 | 33,778.17 |
| | Total Expenses [(a) to (h)] | 48,779.33 | 38,139.80 | 47,242.89 | 1,26,627.90 | 1,36,700.05 | 1,83,775.81 |
| III | Profit before tax and Exceptional Items (I-II) | 4,882.81 | 5,878.65 | 6,694.96 | 18,174.22 | 19,102.57 | 26,067.02 |
| IV | Exceptional items | - | - | - | 1,095.25 | - | - |
| V | Profit before tax (III-IV) | 4,882.81 | 5,878.65 | 6,694.96 | 17,078.97 | 19,102.57 | 26,067.02 |
| VI | Tax expenses | | | | | | |
| | Current tax | 1,471.39 | 1,515.99 | 1,869.56 | 4,635.81 | 4,939.09 | 6,815.87 |
| | Earlier tax adjustment | - | - | (54.71) | - | (54.71) | (70.49) |
| | Deferred tax | (151.39) | 17.91 | (386.41) | (99.89) | (79.90) | (164.30) |
| | Total Tax Expenses | 1,320.00 | 1,533.90 | 1,428.44 | 4,535.92 | 4,804.48 | 6,581.08 |
| VII | Profit for the period/year (V-VI) | 3,562.81 | 4,344.75 | 5,266.52 | 12,543.05 | 14,298.09 | 19,485.94 |
| VIII | Other Comprehensive Income/(Loss) | | | | | | |
| | (a) Items that will not be reclassified to profit or loss | | | | | | |
| | Remeasurements gain/(loss) of net defined benefit plans | (43.38) | (43.39) | (107.86) | (130.15) | (323.58) | (165.27) |
| | Income tax effect on above | 10.92 | 10.92 | 27.15 | 32.76 | 81.44 | 41.60 |
| | (b) Items that will be reclassified to profit or loss | | | | | | |
| | Fair value gain/(loss) on investments and other financial instruments | 148.89 | (90.08) | (491.28) | 144.05 | (627.26) | (347.78) |
| | Income tax effect on above | (37.47) | 22.67 | 123.65 | (36.25) | 157.87 | 87.53 |
| | Total Other Comprehensive Income/(Loss) for the period/year (a+b) | 78.96 | (99.88) | (448.35) | 10.41 | (711.53) | (383.92) |
| IX | Total Comprehensive Income for the period/year (VII+VIII) | 3,641.77 | 4,244.87 | 4,818.17 | 12,553.46 | 13,586.56 | 19,102.02 |
| X | Paid up Equity Share Capital (Face value of Rs. 5/- each) | 5,434.87 | 5,434.87 | 4,878.28 | 5,434.87 | 4,878.28 | 4,878.28 |
| XI | Other Equity | - | - | - | - | - | 1,34,701.83 |
| XII | Earning per share (not annualised) | | | | | | |
| | Basic and Diluted | 3.28 | 4.43 | 5.40 | 12.36 | 14.66 | 19.97 |

The above unaudited standalone results of Sheela Foam Limited are available on our website, www.sheelafam.com and on the stock exchange websites, www.bseindia.com and www.nseindia.com.

Notes:

- These standalone financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors, in their respective meetings held on February 06, 2024.
- These standalone financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
- Additional disclosures as per Regulation 52(4) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 :**

| Particulars | Quarter Ended | | | Period Ended | | Year Ended |
|--|-------------------|--------------------|-------------------|-------------------|-------------------|----------------|
| | December 31, 2023 | September 30, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 | March 31, 2023 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| a) ** Net Worth (Rs. in Lakhs) | 2,68,395.77 | 2,66,820.79 | 1,34,194.44 | 2,68,395.77 | 1,34,194.44 | 1,39,580.11 |
| b) Outstanding Unsecured Non-convertible Debentures (Rs. in Lakhs) | 72,500.00 | - | - | 72,500.00 | - | - |
| c) Debt service coverage ratio (Number of times, Not annualised) | 0.57 | 10.79 | 59.27 | 1.67 | 43.15 | 39.35 |
| d) Interest service coverage ratio (Number of times, Not annualised) | 3.85 | 26.83 | 92.44 | 9.47 | 43.20 | 41.90 |
| e) Debt equity ratio (Number of times) | 0.32 | 0.01 | 0.01 | 0.32 | 0.01 | 0.01 |
| f) Current Ratio (Number of times) | 0.71 | 5.10 | 2.39 | 0.71 | 2.39 | 3.11 |
| g) Long term debt to working capital ratio (Number of times) | (3.91) | 0.02 | 0.04 | (3.91) | 0.04 | 0.02 |
| h) Bad debts to Account receivable ratio (%) | 0% | 0% | 0% | 0% | 0% | 0% |
| i) Current liability ratio (Number of times) | 0.47 | 0.85 | 0.77 | 0.47 | 0.77 | 0.87 |
| j) Total debts to total assets (Number of times) | 0.21 | 0.01 | 0.01 | 0.21 | 0.01 | 0.01 |
| k) Inventory turnover Ratio (Number of times, Not annualised) | 2.36 | 2.05 | 3.68 | 7.23 | 11.47 | 13.46 |
| l) Receivable turnover Ratio (Number of times, Not annualised) | 2.25 | 1.78 | 1.71 | 5.30 | 5.17 | 6.70 |
| m) Operating margin percent ratio (%) | 3.28 | 4.43 | 5.40 | 12.36 | 14.66 | 19.97 |
| n) Operating margin percent ratio (%) | 3.28 | 4.43 | 5.40 | 12.36 | 14.66 | 19.97 |
| o) Operating margin percent ratio (%) | 37% | 37% | 34% | 37% | 34% | 35% |
| p) Net profit margin percent ratio (%) | 7% | 10% | 10% | 9% | 10% | 10% |



Formulas for computation of ratios are as follows:-

| | |
|--|---|
| Debt service coverage ratio (Number of times) | $\frac{\text{Profit before tax + Finance costs + Depreciation}}{\text{Finance cost + Borrowings (Current) + Lease Liabilities (Current)}}$ |
| Interest service coverage ratio | $\frac{\text{Earnings before interest, tax and exceptional items}}{\text{Finance cost}}$ |
| Debt equity ratio | $\frac{\text{Total Borrowings + Total Lease Liabilities}}{\text{Equity Share Capital + Other Equity}}$ |
| Current Ratio | $\frac{\text{Current Assets}}{\text{Current Liabilities}}$ |
| Long term debt to working capital ratio | $\frac{\text{Non-Current Borrowings + Non-Current Lease Liabilities} + \text{Current Maturities of Long term borrowings and Lease liabilities}}{\text{Current Assets - Current Liabilities}}$ |
| Bad debts to Account receivable ratio | $\frac{\text{Bad Debts}}{\text{Average Trade Receivables}}$ |
| Current liability ratio | $\frac{\text{Total Current liabilities}}{\text{Total liabilities}}$ |
| Total debts to total assets | $\frac{\text{Total Borrowings + Total Lease Liabilities}}{\text{Total Assets}}$ |
| Debtors Turnover Ratio | $\frac{\text{Revenue from operations}}{\text{Average Trade receivables}}$ |
| Inventory Turnover Ratio | $\frac{* \text{Cost of Goods sold}}{\text{Average Inventories}}$ |
| Operating margin percent ratio | $\frac{\text{Revenue from operations} - * \text{Cost of Goods sold}}{\text{Revenue from operations}}$ |
| Net profit margin percent ratio | $\frac{\text{Profit After Tax (after exceptional item)}}{\text{Revenue from operations}}$ |
| <p>Notes:-</p> <p>* Cost of goods sold includes Cost of materials consumed, Purchases of Stock-in-trade and Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress.</p> <p>** Net worth has been computed on the basis as stated in Clause(2) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015 i.e. Net worth as defined in subsection (57) of section 2 of the Companies Act, 2013.</p> | |

- 4 The Company is engaged in the manufacturing of the products of same type/class and has no overseas operations/units and as such there are no reportable segments as per Indian Accounting Standard for Operating Segments (Ind AS 108), prescribed, under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.
- 5 The Board of Directors of the Company ('Board') at its meeting held on November 08, 2022, has approved the Scheme of Amalgamation of the wholly owned subsidiary of the Company, i.e., International Comfort Technologies Private Limited ("ICTPL" or "Transferor Company") with Sheela Foam Limited ("SFL" or "Transferee Company") and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme"). The Scheme is subject to necessary statutory and regulatory approvals including the approvals of National Company Law Tribunal, Bench at Delhi ("NCLT"). Accordingly, the aforesaid scheme of arrangement cannot be considered as highly probable unless the regulatory approvals are received and hence, the same has not been accounted in these financial results.
- 6 During the previous quarter ended September 30, 2023, the Company has entered into an agreement with shareholders of 'House of Kieraya Private Limited (Furlenco)' to acquire 35% stake on fully diluted basis w.e.f. August 29, 2023. Accordingly, the company has invested Rs. 36,070.35 Lakhs (including acquisition cost of Rs. 474.97 Lakhs) out of which unpaid amount of Rs. 5,595.32 Lakhs recognised under financial liabilities. The same has been considered as jointly controlled entity.
- 7 During the quarter, the Company has acquired 3,46,05,369 equity shares representing 94.67% shareholding in 'Kurlon Enterprise Limited' at a value of Rs. 2,03,548.40 lakhs resulting in transfer of its control to the company w.e.f. October 20, 2023. As part of this transaction, there is an outstanding unpaid amount of Rs. 16,569.85 Lakhs, which has been duly recognized under financial liabilities. Further, the Company has additionally acquired 9,40,582 equity shares representing 2.58% shareholding for the consideration of Rs. 5,532.50 Lakhs, resulting in total equity shareholding of 97.25% as at December 31, 2023.
- 8 The Company has raised money by the way of Qualified Institutions Placement ('QIP') and allotted 1,11,31,725 equity shares of face value Rs. 5/- each to the eligible qualified institutional buyers (QIB) at a price of Rs. 1,078/- per equity share (including a premium of Rs. 1,073 per equity share) aggregating to Rs. 1,20,000 Lakhs on September 26, 2023. The issue was made in accordance SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Expenses incurred in relation to QIP amounting to Rs. 4,819.21 Lakhs has been adjusted from Securities Premium Account. As per the placement document, QIP proceeds are for part-funding the acquisition of equity shares of Kurlon Enterprise Limited and for general corporate purposes. As on December 31, 2023, 100% funds have been utilised for acquiring equity stake of 94.67% in 'Kurlon Enterprise Limited'.
- 9 The Company has further raised the additional required funds through issue of 72,500 unsecured Non-Convertible Debentures in four tranches of 18,125 each having a fixed coupon rate of 8.45% of face value of Rs. 1,00,000 amounting Rs. 72,500 Lakhs on October 06, 2023 through private placement within the borrowing limits of the Company as approved by the shareholders. The said funds are utilised for part funding of the aforementioned transactions.
- 10 During the period ended December 31, 2023, a fire outbreak at Silvassa location on June 28, 2023 which resulted in loss of inventory and fixed assets amounting to Rs. 1,095.25 lakhs. The Company has recognized this loss as 'Exceptional items' in the statement of profit and loss. The Company has filed the insurance claim and in the absence of reasonable certainty of its collection, the same has not been accounted in these financial results.
- 11 Pursuant to the provisions of Sections 196, 197, 203 and any other applicable provision of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the Company has approved appointment of Mr. Rahul Gautam (DIN: 00192999), as the Whole-Time Director (Executive Chairman) w.e.f. November 02, 2023 and appointment of Mr. Tushaar Gautam (DIN: 01646487) as the Managing Director of the Company w.e.f. November 02, 2023.
- 12 The Board, on November 02, 2023, based on the recommendations of the Nomination and Remuneration Committee, approved the grant of 102,592 stock options to the eligible employees of the company under the SF ESOP - 2022 scheme. These will vest over the period upto 3 years.
- 13 Subsequent to the quarter, the Company has executed the sale deed in respect to land and building situated at Gautam Budh Nagar, U P on January 30, 2024 for a consideration of Rs. 2,200 lakhs.
- 14 The figures for the quarters ended December 31, 2023 and December 31, 2022 are the balancing figures between unaudited figures in respect of nine months ended December 31, 2023 and unaudited figures upto September 30th of the respective financial years, which were subject to limited review.



15 Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current period's financial statements and better representation of the standalone financial results. As a result, certain line items have been reclassified in the standalone statement of profit and loss, which has no impact on net results. The details of which are as under:

| Particulars | (Rs. in Lakhs) | |
|--|---------------------------------------|--------------------------------------|
| | Quarter Ended December 31, 2022 | Period Ended December 31, 2022 |
| | (Unaudited) | (Unaudited) |
| Income: | | |
| Revenue from operations (Before reclassification) | 56,919.94 | 1,61,698.40 |
| Add/(Less) : Reclassification | (5,378.03) | (11,805.68) |
| Total Revenue from Operations (After reclassification) | 51,541.91 | 1,49,892.72 |
| Other Income (Before reclassification) | 2,409.74 | 6,019.03 |
| Add/(Less) : Reclassification | (13.80) | (109.13) |
| Total Other Income (After reclassification) | 2,395.94 | 5,909.90 |
| Expenses: | | |
| Cost of Materials Consumed (Before reclassification) | 27,048.64 | 84,004.20 |
| Add/(Less) : Reclassification | 714.47 | 3,360.57 |
| Total Cost of Materials Consumed (After reclassification) | 27,763.11 | 87,364.77 |
| Finance Costs (Before reclassification) | 87.02 | 561.76 |
| Add/(Less) : Reclassification | (13.80) | (109.13) |
| Total Finance Costs (After reclassification) | 73.22 | 452.63 |
| Other Expenses (Before reclassification) | 14,959.83 | 39,325.91 |
| Add/(Less) : Reclassification | (6,092.50) | (15,166.25) |
| Total Other Expenses (After reclassification) | 8,867.33 | 24,159.66 |

Place: Noida
Dated: February 06, 2024



For Sheela Foam Limited

 Manoj Kumar
 Managing Director
 DIN : 01646487

Independent Auditor's Review Report on unaudited Consolidated financial results for the quarter and year to date of Sheela Foam Limited pursuant to the Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To The Board of Directors of Sheela Foam Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Sheela Foam Limited ('the Holding Company'), its subsidiaries, (the Holding Company and its subsidiaries together referred to as the 'Group') and its share of the net (loss) after tax and total comprehensive (loss) of its jointly controlled entity for the quarter ended December 31, 2023 and the year to-date results for the period from April 01, 2023 to December 31, 2023 ('the Statement'), attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulations').
2. This Statement, which is the responsibility of the Holding Company's Management and has been approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder ('Ind AS 34') and other recognised accounting principles generally accepted in India and is in compliance with the Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. This Statement includes the results of the Holding Company and the following entities:

| Sr. No | Name of the Entity | Relationship with the Holding Company |
|--------|--|---------------------------------------|
| 1 | Staqo Software Private Limited (formerly known as Divya Software Solution Private Limited) | Wholly Owned Subsidiary |
| 2 | Sleepwell Enterprises Private Limited | Wholly Owned Subsidiary |



MSKA & Associates

Chartered Accountants

| Sr. No | Name of the Entity | Relationship with the Holding Company |
|--------|---|---|
| 3 | Staqo World Private Limited (SWPL India) | Wholly Owned Subsidiary |
| 4 | Staqo Incorporated | Wholly Owned Subsidiary of SWPL India |
| 5 | Staqo World KFT | Wholly Owned Subsidiary of SWPL India |
| 6 | Staqo Technologies LLC | Subsidiary of SWPL India |
| 7 | International Comfort Technologies Private Limited | Wholly owned Subsidiary |
| 8 | Joyce Foam Pty Limited (JFPL Australia) | Wholly owned Subsidiary |
| 9 | Joyce WC NSW Pty Limited | Wholly owned Subsidiary of JFPL Australia |
| 10 | International Foam Technologies Spain, S.L.U (IFTS Spain) | Wholly owned Subsidiary |
| 11 | Interplasp S.L | Subsidiary of IFTS Spain |
| 12 | House of Kieraya Private Limited (formerly known as Kieraya Furnishing Solutions Private Limited) | Jointly controlled entity |
| 13 | Sheela Foam Trading L.L.C | Wholly owned Subsidiary |
| 14 | Kurlon Enterprise Limited "KEL" | Subsidiary |
| 15 | Kurlon Retail Limited | Wholly owned Subsidiary of KEL |
| 16 | Belvedere International Limited | Wholly owned Subsidiary of KEL |
| 17 | Komfort Universe Products and Services Limited | Wholly owned Subsidiary of KEL |
| 18 | Starship Value Chain and Manufacturing Private Limited | Wholly owned Subsidiary of KEL |
| 19 | Kanvas Concepts Private Limited | Wholly owned Subsidiary of KEL |

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 6 to 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 and other recognised accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.



MSKA & Associates

Chartered Accountants

6. We did not review the financial results of 16 subsidiaries included in the Statement, whose financial results reflects total revenues of Rs. 23,459 lakhs and Rs. 63,321 lakhs, total net profit after tax of Rs. 456 lakhs and Rs. 1,200 lakhs and total comprehensive income of Rs. 2,245 lakhs and Rs. 2,198 lakhs, for the quarter ended December 31, 2023 and for the period from April 01, 2023 to December 31, 2023, respectively, as considered in the Statement. These financial results has been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

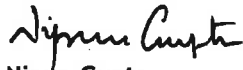
Our conclusion is not modified in respect of the above matter.

7. Certain subsidiaries are located outside India whose financial results have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been reviewed by other auditor under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial results of such subsidiaries, located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India.

We have reviewed these conversion adjustments made by the Holding Company's Management. Our conclusion on the Statement, in so far as it relates to the financial results of such subsidiaries and jointly controlled entity located outside India is based on the report of other auditors and the conversion adjustments prepared by the Management of the Holding Company and reviewed by us.

Our conclusion is not modified in respect of the above matter.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.105047W



Nipun Gupta
Partner
Membership No.: 502896
UDIN: 24502896BKGFKP2337



Place: Gurugram
Date: February 06, 2024

SHEELA FOAM LIMITED

Regd. office: 604, Ashadeep, 9 Hailey Road, New Delhi-110001
 Corporate Office: Sleepwell Tower, Plot No.-14, Sector 135, Noida, Gautam Budh Nagar (U.P) -201301
 Tel: 0120-4162200, Fax: 0120-41622825
 CIN- L74899DL1971PLCO05679

UNAUDITED STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023

(Rs. in Lakhs, Except per share data)

| Sr. No. | Particulars | Quarter Ended | | | Period Ended | | Year Ended |
|-------------|---|-------------------|--------------------|-------------------|--------------------|--------------------|--------------------|
| | | December 31, 2023 | September 30, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 | March 31, 2023 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| I | Income: | | | | | | |
| | a) Revenue from operations | 87,889.05 | 61,318.60 | 76,091.89 | 2,13,716.21 | 2,14,428.43 | 2,87,332.09 |
| | b) Other Income | 3,183.34 | 2,439.40 | 2,801.89 | 8,042.09 | 6,800.76 | 8,650.12 |
| | Total Income [(a) + (b)] | 91,072.39 | 63,758.00 | 78,893.78 | 2,21,758.30 | 2,21,229.19 | 2,95,982.21 |
| II | Expenses: | | | | | | |
| | a) Cost of materials consumed | 44,379.48 | 33,918.66 | 41,991.70 | 1,13,694.93 | 1,25,288.83 | 1,61,830.43 |
| | b) Purchase of stock-in-trade | 5,255.14 | 2,066.68 | 5,375.01 | 8,570.15 | 11,827.77 | 18,063.14 |
| | c) Changes in inventories of finished goods, stock-in-trade and work-in-progress | 1,576.69 | 456.98 | 563.51 | 4,954.66 | (2,647.04) | (1,208.72) |
| | d) Other manufacturing expenses | 3,602.65 | 1,769.66 | 1,522.12 | 7,259.27 | 5,069.76 | 6,764.73 |
| | e) Employee benefits expense | 9,531.59 | 7,803.66 | 6,959.16 | 24,656.39 | 20,617.62 | 27,915.33 |
| | f) Finance costs | 2,520.86 | 855.02 | 472.09 | 4,164.36 | 1,403.01 | 2,107.07 |
| | g) Depreciation and amortisation expense | 2,991.36 | 2,187.68 | 2,240.31 | 7,444.63 | 6,355.37 | 8,962.43 |
| | h) Other expenses | 15,925.32 | 8,680.99 | 12,107.79 | 32,578.52 | 32,285.64 | 44,239.52 |
| | Total Expenses [(a) to (h)] | 85,783.09 | 57,739.33 | 71,231.69 | 2,03,322.91 | 2,00,200.96 | 2,68,673.93 |
| III | Profit before tax and Exceptional Items (I-II) | 5,289.30 | 6,018.67 | 7,662.09 | 18,435.39 | 21,028.23 | 27,308.28 |
| IV | Exceptional Items | - | - | - | 1,095.25 | - | - |
| V | Profit before tax (III-IV) | 5,289.30 | 6,018.67 | 7,662.09 | 17,340.14 | 21,028.23 | 27,308.28 |
| VI | Tax expenses | | | | | | |
| | Current tax | 1,458.17 | 1,639.68 | 2,310.14 | 4,820.29 | 5,992.82 | 7,875.59 |
| | Earlier tax adjustment | - | - | (61.75) | - | (61.42) | (77.20) |
| | Deferred tax | (13.35) | (79.09) | (701.90) | (114.66) | (629.37) | (796.33) |
| | Total Tax Expenses | 1,444.82 | 1,560.59 | 1,548.49 | 4,705.63 | 5,302.03 | 7,002.06 |
| VII | Profit for the period/year after tax and before share of profit/(loss) of Joint venture accounted for using equity method (V-VI) | 3,844.48 | 4,458.08 | 6,115.60 | 12,634.51 | 15,726.20 | 20,306.22 |
| VIII | Share in profit/(loss) of Joint venture accounted for using equity method | (728.54) | (27.27) | - | (755.81) | - | - |
| IX | Profit for the period/year (VII + VIII) | 3,115.94 | 4,430.81 | 6,115.60 | 11,878.70 | 15,726.20 | 20,306.22 |
| X | Other Comprehensive Income/(Loss) | | | | | | |
| | (a) Items that will not be reclassified to profit or loss | | | | | | |
| | Re-measurements gain/(loss) of the net defined benefit plans | (47.54) | (47.57) | (106.31) | (142.66) | (318.95) | (181.17) |
| | Income tax effect on above | 11.97 | 11.97 | 26.75 | 35.91 | 80.27 | 45.60 |
| | Share of Other Comprehensive Income of Joint venture accounted for using equity method | (0.49) | (0.11) | - | (0.60) | - | - |
| | (b) Items that will be reclassified to profit or loss | | | | | | |
| | Fair value gain/(loss) on investments and other financial instruments | 175.83 | (198.65) | (491.28) | 62.42 | (627.26) | (347.78) |
| | Income tax effect on above | (44.25) | 49.99 | 123.65 | (15.71) | 157.87 | 87.53 |
| | Share of Other Comprehensive Income of Joint venture accounted for using equity method | (0.34) | (0.07) | - | (0.41) | - | - |
| | (c) Exchange difference on translation of foreign operations | 1,778.56 | (478.64) | (145.55) | 981.30 | 417.37 | 1,647.08 |
| | Total Other Comprehensive Income/(Loss) for the period/year (a+b+c) | 1,873.74 | (663.08) | (592.75) | 920.25 | (290.70) | 1,251.26 |
| XI | Total Comprehensive Income for the period/year (IX + X) | 4,989.68 | 3,767.73 | 5,522.85 | 12,798.95 | 15,435.50 | 21,557.48 |
| XII | Profit for the period/year attributable to: | | | | | | |
| | Shareholders of the parent company | 3,075.30 | 4,400.63 | 6,053.14 | 11,782.56 | 15,571.31 | 20,115.67 |
| | Non-controlling Interest | 40.64 | 30.18 | 62.46 | 96.14 | 154.89 | 190.55 |
| XIII | Other Comprehensive Income/(Loss) for the period/year attributable to: | | | | | | |
| | Shareholders of the parent company | 1,873.74 | (663.08) | (592.75) | 920.25 | (290.70) | 1,251.26 |
| | Non-controlling Interest | - | - | - | - | - | - |
| XIV | Total Comprehensive Income for the period/year attributable to: | | | | | | |
| | Shareholders of the parent company | 4,949.04 | 3,737.55 | 5,460.39 | 12,702.81 | 15,280.61 | 21,366.93 |
| | Non-controlling Interest | 40.64 | 30.18 | 62.46 | 96.14 | 154.89 | 190.55 |
| XV | Paid up Equity Share Capital (Face value of Rs. 5/- each) | 5,434.87 | 5,434.87 | 4,878.28 | 5,434.87 | 4,878.28 | 4,878.28 |
| XVI | Other Equity | - | - | - | - | - | 1,55,160.90 |
| XVII | Earning per share (not annualised) | | | | | | |
| | Basic and Diluted | 2.83 | 4.48 | 6.27 | 11.61 | 16.12 | 20.81 |

The above unaudited consolidated results of Sheela Foam Limited are available on our website, www.sheelafilm.com and on the stock exchange websites www.nseindia.com and www.bseindia.com



Notes:

- 1 These consolidated financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors, in their respective meetings held on February 06, 2024.
- 2 These consolidated financial results of Sheela Foam Limited ("the Holding Company") and its subsidiaries ("the Group") together with jointly controlled entity for the quarter and nine months ended December 31, 2023 have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
- 3 Additional disclosures as per Regulation 52(4) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 :

| Particulars | Quarter Ended | | | Period Ended | | Year Ended |
|--|----------------------------------|-----------------------------------|----------------------------------|----------------------------------|----------------------------------|-----------------------------|
| | December 31, 2023 (Unaudited) | September 30, 2023 (Unaudited) | December 31, 2022 (Unaudited) | December 31, 2023 (Unaudited) | December 31, 2022 (Unaudited) | March 31, 2023 (Audited) |
| a) ** Net Worth (Rs. in Lakhs) | 2,95,852.07 | 2,86,895.60 | 1,55,072.90 | 2,95,852.07 | 1,55,072.90 | 1,60,865.64 |
| b) Outstanding Unsecured Non-convertible Debentures (Rs. In Lakhs) | 72,500.00 | - | - | 72,500.00 | - | - |
| c) Debt service coverage ratio (Number of times, Not annualised) | 0.29 | 0.48 | 0.58 | 0.77 | 1.53 | 1.74 |
| d) Interest service coverage ratio (Number of times, Not annualised) | 3.10 | 8.04 | 17.23 | 5.43 | 15.99 | 13.96 |
| e) Debt equity ratio (Number of times) | 0.51 | 0.20 | 0.36 | 0.51 | 0.36 | 0.36 |
| f) Current Ratio (Number of times) | 0.78 | 3.17 | 1.75 | 0.78 | 1.75 | 2.10 |
| g) Long term debt to working capital ratio (Number of times) | (4.93) | 0.33 | 1.19 | (4.93) | 1.19 | 0.66 |
| h) Bad debts to Account receivable ratio (%) | 0% | 0% | 1% | 0% | 2% | 2% |
| i) Current liability ratio (Number of times) | 0.49 | 0.61 | 0.55 | 0.49 | 0.55 | 0.62 |
| j) Total debts to total assets (Number of times) | 0.28 | 0.14 | 0.22 | 0.28 | 0.22 | 0.21 |
| k) Debtors Turnover Ratio (Number of times, Not annualised) | 2.79 | 2.14 | 2.88 | 6.90 | 8.12 | 10.42 |
| l) Inventory Turnover Ratio (Number of times, Not annualised) | 1.79 | 1.37 | 1.60 | 4.01 | 4.64 | 5.74 |
| m) Basic EPS | 2.83 | 4.48 | 6.27 | 11.61 | 16.12 | 20.81 |
| n) Diluted EPS | 2.83 | 4.48 | 6.27 | 11.61 | 16.12 | 20.81 |
| o) Operating margin percent ratio (%) | 38% | 38% | 35% | 37% | 35% | 35% |
| p) Net profit margin percent ratio (%) | 4% | 7% | 8% | 6% | 7% | 7% |

Formulas for computation of ratios are as follows:-

| | |
|---|---|
| Debt service coverage ratio | $\frac{\text{Profit before tax} + \text{Finance costs} + \text{Depreciation}}{\text{Finance cost} + \text{Borrowings (Current)} + \text{Lease Liabilities (Current)}}$ |
| Interest service coverage ratio | $\frac{\text{Earnings before interest, tax and exceptional items}}{\text{Finance cost}}$ |
| Debt equity ratio | $\frac{\text{Total Borrowings} + \text{Total Lease Liabilities}}{\text{Equity Share Capital} + \text{Other Equity}}$ |
| Current Ratio | $\frac{\text{Current Assets}}{\text{Current Liabilities}}$ |
| Long term debt to working capital ratio | $\frac{\text{Non-Current Borrowings} + \text{Non-Current Lease Liabilities} + \text{Current Maturities of Long term borrowings and Lease liabilities}}{\text{Current Assets} - \text{Current Liabilities}}$ |
| Bad debts to Account receivable ratio | $\frac{\text{Bad Debts}}{\text{Average Trade Receivables}}$ |
| Current liability ratio | $\frac{\text{Total Current liabilities}}{\text{Total liabilities}}$ |
| Total debts to total assets | $\frac{\text{Total Borrowings} + \text{Total Lease Liabilities}}{\text{Total Assets}}$ |
| Debtors Turnover Ratio | $\frac{\text{Revenue from operations}}{\text{Average Trade receivables}}$ |
| Inventory Turnover Ratio | $\frac{\text{*Cost of Goods sold}}{\text{Average Inventories}}$ |
| Operating margin percent ratio | $\frac{\text{Revenue from operations} - \text{*Cost of Goods sold}}{\text{Revenue from operations}}$ |
| Net profit margin percent ratio | $\frac{\text{Profit After Tax (after exceptional item)}}{\text{Revenue from operations}}$ |

Notes:-

* Cost of goods sold includes Cost of materials consumed, Purchases of Stock-in-trade and Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress.

** Net worth has been computed on the basis as stated in Clause(2) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015 i.e. Net worth as defined in subsection (57) of section 2 of the Companies Act, 2013.

- 4 Segment Reporting as per Indian Accounting Standard for Operating Segments (Ind AS 108), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder:

The Group is mainly engaged in manufacturing of the products of same type/class, and therefore there is no reportable Business Segments. The Group has geographical segments as given below:

Geographical Segment:

The analysis of the geographical segment based on sales made within India and outside India by the Group is as under:

| Particulars | Quarter Ended | | | Period Ended | | Year Ended |
|---------------------------|----------------------------------|-----------------------------------|----------------------------------|----------------------------------|----------------------------------|-----------------------------|
| | December 31, 2023 (Unaudited) | September 30, 2023 (Unaudited) | December 31, 2022 (Unaudited) | December 31, 2023 (Unaudited) | December 31, 2022 (Unaudited) | March 31, 2023 (Audited) |
| Revenue from operations : | | | | | | |
| Within India | 68,283.24 | 41,937.94 | 51,683.89 | 1,55,175.22 | 1,48,717.68 | 1,99,822.20 |
| Outside India | 19,605.81 | 19,380.66 | 24,408.00 | 58,540.99 | 65,710.75 | 87,509.89 |
| Non Current Assets : | | | | | | |
| Within India | | | | | | 52,341.68 |
| Outside India | | | | | | 57,688.51 |

- 5 The Board of Directors of the Company ("Board") at its meeting held on November 08, 2022, has approved the Scheme of Amalgamation of the wholly owned subsidiary of the Company, i.e., International Comfort Technologies Private Limited ("ICTPL" or "Transferor Company") with Sheela Foam Limited ("SFL" or "Transferee Company") and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme"). The Scheme is subject to necessary statutory and regulatory approvals including the approvals of National Company Law Tribunal, Bench at Delhi ("NCLT"). Accordingly, the aforesaid scheme of arrangement cannot be considered as highly probable unless the regulatory approvals are received and hence, the same has not been accounted in these financial results.



- 6 During the previous quarter ended September 30, 2023, the Holding Company has entered into an agreement with shareholders of 'House of Kieraya Private Limited (Furlenco)' to acquire 35% stake on fully diluted basis w.e.f. August 29, 2023. Accordingly, the holding company has invested Rs. 36,070.35 Lakhs (including acquisition cost of Rs. 474.97 Lakhs) out of which unpaid amount of Rs. 5,595.32 Lakhs recognised under financial liabilities. The same has been considered as jointly controlled entity and has been accounted using Equity method as per Ind AS from August 29, 2023 being the date of acquisition and accordingly, 17.70% (equity stake as on December 31, 2023) of their profit/(loss) is included in the above results.
- 7 During the quarter, the Holding Company has acquired 3,45,05,369 equity shares representing 94.67% shareholding in 'Kurlon Enterprise Limited' at a value of Rs. 2,03,548.40 lakhs resulting in transfer of its control to the company w.e.f. October 20, 2023. As part of this transaction, there is an outstanding unpaid amount of Rs. 16,569.85 Lakhs, which has been duly recognized under financial liabilities.
Further, the Company has additionally acquired 9,40,582 equity shares representing 2.58% shareholding for the consideration of Rs. 5,532.50 Lakhs, resulting in total equity shareholding of 97.25% as at December 31, 2023.
- 8 The Holding Company had entered into a business transfer agreement dated July 17, 2023 for the acquisition of the 'Kurlon Enterprise Limited' (KEL). In terms of the business transfer agreement, the business has been acquired by the Company with effect from October 20, 2023. The company has appointed an independent valuer to conduct the valuation for the purpose of allocation of purchase price, as required to be recognised as per Ind AS 103 – Business Combinations. The Company is in the process of finalizing the aforesaid report and will carry out the necessary adjustments in due course.
- 9 During the quarter, the Holding Company has acquired major equity stake in 'Kurlon Enterprise Limited' and therefore, the results for the quarter ended December 31, 2023 include the impact of this transaction w.e.f. October 20, 2023 and are not comparable with previous corresponding periods.
- 10 The Holding Company has raised money by the way of Qualified Institutions Placement ('QIP') and allotted 1,11,31,725 equity shares of face value Rs. 5/- each to the eligible qualified institutional buyers (QIB) at a price of Rs. 1,078/- per equity share (including a premium of Rs. 1,073 per equity share) aggregating to Rs. 1,20,000 Lakhs on September 26, 2023. The issue was made in accordance SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Expenses incurred in relation to QIP amounting to Rs. 4,819.21 Lakhs has been adjusted from Securities Premium Account. As per the placement document, QIP proceeds are for part-funding the acquisition of equity shares of Kurlon Enterprise Limited and for general corporate purposes. As on December 31, 2023, 100% funds have been utilised for acquiring equity stake of 94.67% in 'Kurlon Enterprise Limited'.
- 11 The Holding Company has further raised the additional required funds through issue of 72,500 unsecured Non-Convertible Debentures in four tranches of 18,125 each having a fixed coupon rate of 8.45%, of face value of Rs. 1,00,000 amounting Rs. 72,500 Lakhs on October 06, 2023 through private placement within the borrowing limits of the Company as approved by the shareholders. The said funds are utilised for part funding of the aforementioned transactions.
- 12 During the period ended December 31, 2023, a fire outbreak at Silvassa location of Holding Company on June 28, 2023 which resulted in loss of inventory and fixed assets amounting to Rs. 1,095.25 lakhs. The Company has recognized this loss as 'Exceptional items' in the statement of profit and loss. The Company has filed the insurance claim and in the absence of reasonable certainty of its collection, the same has not been accounted in these financial results.
- 13 The Holding company has incorporated a wholly owned subsidiary 'Sheela Foam Trading L.L.C.' in Dubai on September 25, 2023.
- 14 Pursuant to the provisions of Sections 196, 197, 203 and any other applicable provision of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the Holding Company has approved appointment of Mr. Rahul Gautam (DIN: 00192999), as the Whole-Time Director (Executive Chairman) w.e.f. November 02, 2023 and appointment of Mr. Tushaar Gautam (DIN: 01646487) as the Managing Director of the Company w.e.f. November 02, 2023.
- 15 The Board, on November 02, 2023, based on the recommendations of the Nomination and Remuneration Committee, approved the grant of 102,592 stock options to the eligible employees of the Holding company under the SF ESOP - 2022 scheme. These will vest over the period upto 3 years.
- 16 Subsequent to the quarter, the Holding Company has executed the sale deed in respect to land and building situated at Gautam Budh Nagar, U.P. on January 30, 2024 for a consideration of Rs. 2,200 lakhs.
- 17 The figures for the quarters ended December 31, 2023 and December 31, 2022 are the balancing figures between unaudited figures in respect of nine months ended December 31st and the unaudited published half year ended figures upto September 30th of the respective financial years, which were subject to limited review. The profit/(loss) for the jointly controlled entity has been disclosed from the date of acquisition and accordingly, the same is not comparable with the previous quarter / period.
- 18 Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current period's financial statements and better representation of the consolidated financial results. As a result, certain line items have been reclassified in the consolidated statement of profit and loss, which has no impact on net results. The details of which are as under:

| Particulars | (Rs. in Lakhs) | |
|--|------------------------------------|-----------------------------------|
| | Quarter Ended December 31, 2023 | Period Ended December 31, 2022 |
| | (Unaudited) | (Unaudited) |
| Income | | |
| Revenue from operations (Before reclassification) | 81,697.74 | 2,26,826.04 |
| Add/(Less) : Reclassification | (5,605.85) | (12,397.61) |
| Total Revenue from Operations (After reclassification) | 76,091.89 | 2,14,428.43 |
| Other Income (Before reclassification) | 2,815.69 | 6,909.89 |
| Add/(Less) : Reclassification | (13.80) | (109.13) |
| Total Other Income (After reclassification) | 2,801.89 | 6,800.76 |
| Expenses | | |
| Cost of Materials Consumed (Before reclassification) | 41,277.23 | 1,21,928.26 |
| Add/(Less) : Reclassification | 714.47 | 3,360.57 |
| Total Cost of Materials Consumed (After reclassification) | 41,991.70 | 1,25,288.83 |
| Employee Benefits Expense (Before reclassification) | 6,995.54 | 20,764.48 |
| Add/(Less) : Reclassification | (36.38) | (146.86) |
| Total Employee Benefits Expense (After reclassification) | 6,959.16 | 20,617.62 |
| Finance Costs (Before reclassification) | 485.89 | 1,512.14 |
| Add/(Less) : Reclassification | (13.80) | (109.13) |
| Total Finance Costs (After reclassification) | 472.09 | 1,403.01 |
| Other Expenses (Before reclassification) | 18,391.73 | 47,896.96 |
| Add/(Less) : Reclassification | (6,283.94) | (15,611.32) |
| Total Other Expenses (After reclassification) | 12,107.79 | 32,285.64 |

Place: Noida
Dated: February 05, 2024



For Sheela Foam Limited
(Signature)
(Tushaar Gautam)
Managing Director
DIN : 01646487

INDEPENDENT AUDITOR'S REPORT**To The Members of Kurlon Enterprise Limited****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of Kurlon Enterprise Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report including Annexures to the Director's Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the

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Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

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- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 30 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S



Sathya P. Koushik
Partner
(Membership No. 206920)
UDIN: 21206920AAAAMB3314

Place: Bengaluru
Date: October 28, 2021

**Deloitte
Haskins & Sells****ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Kurlon Enterprise Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S



Sathya P. Koushik
Partner
(Membership No. 206920)
UDIN: 21206920AAAAMB3314

Place: Bengaluru
Date: October 28, 2021

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements'
section of our report of even date)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However owing to COVID-19 pandemic, the physical verification that was due to be carried out during the year has been deferred to the next fiscal year.
- (c) With respect to immovable properties of land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

In respect of immovable properties of land and buildings that have been taken on lease on which buildings have been constructed and disclosed as "Right of Use" assets in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

- (ii) As explained to us, the inventories were physically verified by the management during the year and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- (c) Details of dues of Excise Duty, Value Added Tax and Sales Tax and which have not been deposited as on March 31, 2021 on account of disputes are given below:

| Name of Statute | Nature of Dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount* involved (Rs. In lakhs) |
|--|----------------|---|------------------------------------|---------------------------------|
| Central Excise Act, 1944 | Excise duty | Central Excise and Service Tax Appellate Tribunal | 2011-14 | 1,440.18 |
| Value Added Tax, Sales Tax and Entry Tax - Various states Value Added Tax, Sales Tax and Entry Tax - Various states | | The Joint Commissioner - Commercial Taxes | 2013-14 | 24.97 |
| | | | 2014-15 | 3,419.26 |
| | | | 2015-16 | 320.91 |
| | | | 2016-17 | 386.13 |
| | | | 2017-18 | 101.30 |
| | | | 2019-20 | 42.23 |

*Net of Rs. 168.75 lakhs has been paid as advance against the demands/appeals.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company does not have any borrowings from the government and has not issued any debentures during the year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

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- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of the Holding Company, subsidiary or associated company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S



Sathya P. Koushik
Partner
Membership No. 206920
UDIN: 21206920AAAAMB3314

Place: Bengaluru
Date: October 28, 2021

KURLON ENTERPRISE LIMITED
STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

₹ in Lakhs

| Particulars | Note No. | As at March 31, 2021 | As at March 31, 2020 |
|--|----------|----------------------|----------------------|
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property, Plant and Equipment | 3a | 20,409.73 | 21,045.65 |
| (b) Right of Use assets | 4a | 1,529.21 | 2,428.45 |
| (c) Capital work-in-progress | 4b | 701.18 | 578.35 |
| (d) Goodwill | 3b | 2,103.16 | 2,103.16 |
| (e) Other Intangible assets | 3c | 397.77 | 538.95 |
| (f) Financial Assets | | | |
| (i) Investments | 5 | 1,785.57 | 1,762.07 |
| (ii) Security Deposits | 7a | 638.86 | 906.67 |
| (iii) Loans | 7b | 2,290.75 | |
| (g) Non-Current Tax Assets (Net) | 18b | 649.42 | 1,135.52 |
| (h) Other Non-Current Assets | 8 | 2,059.30 | 1,511.85 |
| Total Non - Current Assets | | 32,564.95 | 32,010.65 |
| Current assets | | | |
| (a) Inventories | 9 | 11,105.10 | 11,676.07 |
| (b) Financial Assets | | | |
| (i) Investments | 5 | 11,131.71 | 11,475.60 |
| (ii) Trade Receivables | 6 | 4,923.52 | 6,779.68 |
| (iii) Cash and Cash equivalents | 10 | 3,980.98 | 1,246.70 |
| (iv) Bank Balances other than (iii) above | 10 | 147.63 | 141.29 |
| (v) Security Deposits | 7a | 265.78 | 36.18 |
| (c) Other Current Assets | 8 | 6,533.29 | 9,538.80 |
| Total Current Assets | | 38,088.01 | 40,894.31 |
| Total Assets | | 70,652.96 | 72,904.98 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share capital | 11 | 1,827.61 | 1,819.12 |
| (b) Other Equity | 12 | 49,096.24 | 46,609.90 |
| Total equity | | 50,923.85 | 48,429.02 |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Lease Liabilities | 15a | 271.73 | 655.59 |
| (ii) Other Financial Liabilities | 15b | 5,478.53 | 5,802.27 |
| (b) Provisions | 14 | 656.17 | 409.42 |
| (c) Deferred tax liabilities (Net) | 18.a | 2,383.62 | 1,609.34 |
| Total Non - Current Liabilities | | 8,790.05 | 8,476.62 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 16 | 1,187.25 | 2,389.02 |
| (ii) Lease Liabilities | 15a | 174.40 | 626.62 |
| (iii) Trade payables | 13 | | |
| (A) Total outstanding dues to Micro, small and Medium Enterprises | 13 | 306.00 | 582.72 |
| (B) Total outstanding dues of creditors other than Micro, small and Medium Enterprises | 13 | 8,828.72 | 11,781.33 |
| (iv) Other financial Liabilities | 15b | 83.29 | 68.87 |
| (b) Provisions | 14 | 142.67 | 409.42 |
| (c) Other Current Liabilities | 17 | 216.73 | 141.35 |
| Total Current Liabilities | | 10,939.06 | 15,999.34 |
| Total Equity and Liabilities | | 70,652.96 | 72,904.98 |
| Summary of Significant Accounting Policies | | | |
| The accompanying notes form an integral part of the financial statements | | | |

As per our report of even date attached

For Deloitte Haskins & Sells
 Chartered Accountants
 (Firm's Registration No. 0080725)

Sathya P. Koushik
 Partner
 Membership No. 206920



For and on behalf of the Board of Directors of Kurlon Enterprise Limited

T. Sudhekar Pai
 Managing Director
 DIN- 00043298
 Jyothi Pradhan
 Chief Executive Officer
 Ritesh Shroff
 Chief Financial Officer

H.N. Shrinivas
 Director
 DIN- 07178853
 Manoj Kumar
 Company Secretary

Place : Bengaluru
 Date : October 28, 2021

Place : Bengaluru
 Date : October 28, 2021

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KURLON ENTERPRISE LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Lakhs

| Particulars | Note No | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---------|---------------------------|---------------------------|
| I Revenue from operations | 19 | 76,851.41 | 95,904.19 |
| II Other Income | 20 | 892.64 | 899.00 |
| III Total Income (I+II) | | 77,744.05 | 96,803.19 |
| IV Expenses | | | |
| Cost of materials consumed | 21.a | 34,056.35 | 39,810.49 |
| Purchases of stock in trade | 21.b | 7,416.54 | 11,032.12 |
| Changes in inventories of finished goods, stock in trade and work-in-progress | 21.c | 1,266.13 | (724.32) |
| Employee benefits expense | 22 | 6,053.57 | 7,675.96 |
| Finance costs | 23 | 229.93 | 577.10 |
| Depreciation and amortisation expense | 24 | 2,478.14 | 2,609.61 |
| Other expenses | 25 | 18,108.49 | 25,679.63 |
| Total Expenses (IV) | | 69,609.15 | 86,660.60 |
| V Profit before Exceptional Items and tax (III-IV) | | 8,134.90 | 10,142.60 |
| VI Exceptional item(Refer Note-5(ii)) | | 2,018.68 | |
| | | 6,116.22 | 10,142.60 |
| VII Tax Expense | | | |
| Current tax | 27 | 1,622.00 | 2,650.42 |
| Tax credit of earlier years | | - | (244.39) |
| Deferred tax | 27 | 774.28 | (632.86) |
| | | 2,396.28 | 1,773.17 |
| VIII Profit for the year(V-VI-VII) | | 3,719.94 | 8,369.43 |
| Other comprehensive income | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| (a) Re-measurements of the defined benefit plans [gain/ (loss)] | | 72.45 | 45.64 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | (18.23) | (11.49) |
| IX Total other comprehensive Income | | 54.22 | 34.15 |
| X Total comprehensive income for the year(VIII+IX) | | 3,774.15 | 8,403.59 |
| Earnings per equity share : | | | |
| Equity shares of par value Rs 5 each | | | |
| (1) Basic (Rs) | 28 | 10.33 | 23.10 |
| (2) Diluted (Rs) | 28 | 10.33 | 22.99 |

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

Sathya P. Koushik
Sathya P. Koushik
Partner
Membership No. 206920



For and on behalf of the Board of Directors

T. Sudhakar Pal
T. Sudhakar Pal
Managing Director
DIN- 00043298

Jyothi Pradhan
Jyothi Pradhan
Chief Executive Officer

Ritesh Shroff
Ritesh Shroff
Chief Financial Officer

H.N. Shrinivas
H.N. Shrinivas
Director
DIN- 07178853

Ramesh Kumar
Ramesh Kumar
Company Secretary

Place : Bengaluru
Date : October 28, 2021

Place : Bengaluru
Date : *October 28, 2021*

KURLON ENTERPRISE LIMITED
STANDALONE CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2021

₹ in Lakhs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| A. Cash flows from Operating Activities | | |
| Profit for the year | 3,719.94 | 8,369.43 |
| Adjustments for: | | |
| Exceptional item | 2,018.68 | - |
| Income tax expense recognised in profit or loss | 2,396.26 | 1,773.37 |
| Net (Gain)/ Loss on disposal of Property, Plant and Equipment | 252.72 | 34.54 |
| Insurance claim received on Property, Plant and Equipment | - | (56.71) |
| Advance written back | - | (36.44) |
| Liability written back | - | 2.32 |
| Bad debts written off | 1.35 | - |
| Depreciation and amortisation expense | 2,478.14 | 2,609.61 |
| Interest Income recognised in profit or loss | (251.39) | (183.04) |
| Notional/Actual Income recognised in profit or loss on Mutual Fund Investments | (458.90) | (292.84) |
| Finance costs recognised in profit or loss | 229.93 | 577.10 |
| Allowance for expected Credit losses | 250.97 | 567.22 |
| Net foreign exchange (gain)/loss | - | - |
| | 10,637.71 | 13,364.36 |
| Movements in working capital: | | |
| (Increase)/Decrease in Loans | 38.21 | (38.21) |
| (Increase)/Decrease in Trade Receivables | 1,603.84 | 4,595.33 |
| (Increase)/Decrease in Inventories | 570.97 | (762.34) |
| (Increase)/Decrease in Other Current Assets | 3,077.96 | (409.41) |
| (Increase)/Decrease in Other Non-Current Assets | 351.79 | (1,139.47) |
| (Increase)/Decrease in Other Financial Assets | (2,290.75) | - |
| Increase/(Decrease) in Trade Payables | (3,229.33) | (30.43) |
| Increase/(Decrease) in Other Current Financial Liabilities | (437.80) | 646.04 |
| Increase/(Decrease) in Non-Current Provisions | 246.75 | - |
| Increase/(Decrease) in Other Non-Current Financial Liabilities | (707.60) | 364.23 |
| Increase/(Decrease) in Other Current Liabilities | 75.38 | (744.94) |
| Increase/(Decrease) in Current Provisions | (266.75) | - |
| | (967.33) | 2,480.81 |
| Cash Flows generated from Operating Activities | 9,670.37 | 15,845.19 |
| Income tax paid(Net of Refund) | (1,154.13) | (3,114.95) |
| Net cash flow from operating activities (A) | 8,516.24 | 12,730.24 |
| B. Cash Flows from Investing Activities | | |
| Proceeds on sale of Property, Plant and Equipment | 149.89 | 47.14 |
| Insurance claim received | - | 56.71 |
| Interest received | 251.39 | 183.03 |
| Other Dividends Received | 458.90 | 292.84 |
| (Purchase)/Sale of Investments | 320.39 | (8,750.95) |
| Placed in Bank Deposits not considered as Cash and Cash Equivalents | (6.34) | (8.63) |
| Investments Written Off | (2,018.68) | - |
| Capital Expenditure on Property, Plant & Equipment including capital advance | (2,226.48) | (4,439.52) |
| Net cash flow from / (used in) Investing Activities (B) | 9,070.92 | (12,619.38) |
| C. Cash Flows from Financing Activities | | |
| Proceeds/ (Repayment) of Short term borrowings | (1,201.77) | 150.96 |
| Tax on Distributed Profits | - | (224.36) |
| Dividends paid to owners of the Company | (1,279.33) | (1,091.47) |
| Interest paid | (229.93) | (577.10) |
| Net cash flow from / (used in) financing activities (C) | (2,711.03) | (1,741.97) |
| Net Increase / decrease in cash and cash equivalents (A+B+C) | 2,734.26 | (1,631.11) |
| Cash and cash equivalents at the beginning of the year | 1,246.70 | 2,877.82 |
| Cash and cash equivalents at the end of the year | 3,980.96 | 1,246.71 |
| Reconciliation of Cash & cash equivalents with the Balance Sheet | | |
| Add-Bank Balance held as margin money or security against borrowing, guarantees and other commitments(*) | 147.63 | 141.29 |
| Cash and cash equivalents as per the Balance Sheet (Refer note 10) | 4,128.61 | 1,387.99 |

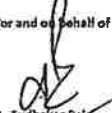
Notes:
 (*) These earmarked account balances with banks can be utilised only for the specific identified purposes.
 The accompanying notes form an integral part of the financial statements

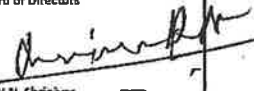
In terms of our report attached.
 For Deloitte Haskins & Sells
 Chartered Accountants
 (Firm's Registration No. 0000725)

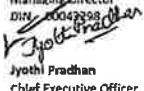
 Sathya P. Koushik
 Partner
 Membership No. 205920





For and on behalf of the Board of Directors


 T. Sudhakar Babu
 Managing Director
 DIN - 0049338


 H.M. Shrinivas
 Director
 DIN-0717853


 Jyothi Pradhan
 Chief Executive Officer


 Ritesh Shroff
 Chief Financial Officer


 Company Secretary

Place : Bengaluru
 Date : October 28, 2021

Place : Bengaluru
 Date : October 28, 2021

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KURLON ENTERPRISE LIMITED
STATEMENT OF STANDALONE CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2021

a. Equity Share Capital

₹ in Lakhs

| Particulars | Amount |
|---|----------|
| Balance as at March 31, 2020 | 1,819.12 |
| Changes in equity share capital during the year | |
| Issue of Equity Shares | 8.49 |
| Issue of Bonus Equity Shares | - |
| Balance as at March 31, 2021 | 1,827.61 |

b. Other Equity

₹ in Lakhs

| Particulars | Other Equity | | | | | Total |
|---|---------------------------------------|--------------------|----------------------------------|-----------------|-------------------|------------|
| | Monies pending allotment (net of tax) | Securities premium | Share option outstanding account | General reserve | Retained earnings | |
| Balance as at April 1, 2019 | 3,249.40 | 11,619.58 | 435.58 | 1,286.11 | 22,991.47 | 39,522.14 |
| Profit for the year | - | - | - | - | 8,369.43 | 8,369.43 |
| Remeasurement of Defined Benefits Plan (net of tax) | - | - | - | - | 34.15 | 34.15 |
| Dividends Paid | - | - | - | - | (1,091.47) | (1,091.47) |
| Tax on dividends | - | - | - | - | (224.36) | (224.36) |
| Transfer from Shares Option Outstanding Account* | - | - | (435.58) | - | 435.58 | - |
| Balance as at March 31, 2020 | 3,249.40 | 11,619.58 | - | 1,286.11 | 30,454.81 | 46,609.90 |
| Profit for the period | - | - | - | - | 3,719.94 | 3,719.94 |
| Remeasurement of Defined Benefits Plan (net of tax) | - | - | - | - | 54.22 | 54.22 |
| Dividends Paid** | - | - | - | - | (1,279.33) | (1,279.33) |
| Transfer to Securities premium account on allotment of shares | (3,240.91) | 3,240.91 | - | - | - | - |
| Transfer to Equity Share Capital on Allotment of shares | (8.49) | - | - | - | - | (8.49) |
| Balance as at March 31, 2021 | 0.00 | 14,860.49 | - | 1,286.11 | 32,849.64 | 49,096.24 |

* On July 14, 2015, the company had granted 468,864 options to certain employees. These options vest with the employees over a period of three years and exercisable over a period of four years. In accordance with the scheme, the options got fully vested with the employees in 2018-2019. The company has recognized the cost (difference between the fair price of the equity share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense aggregating to ₹ 435.58 Lakhs, as an expense in earlier years. However during 2019-2020, since the Holding company has issued shares to the said employees, the options of the company cannot be exercised. Hence the above amount has been transferred to Retained Earnings.

** In the Annual General Meeting held on 20th October 2020, the shareholders of the company had declared a dividend of Rs. 3.50/share aggregating to Rs. 1279.33 lakhs

The above statement of changes in equity should be read in conjunction with the accompanying notes.

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 0080725)

Sathya P. Koushik
Sathya P. Koushik
Partner
Membership No. 206920



Place : Bengaluru
Date : October 28, 2021

For and on behalf of the Board of Directors

T. Sudhakar Pai
T. Sudhakar Pai
Managing Director
DIN-00043298
Jyoti Pradhan
Jyoti Pradhan
Chief Executive Officer
Rishabh Shroff
Rishabh Shroff
Chief Financial Officer

H.N. Shrinivas
H.N. Shrinivas
Director
DIN-07178853
Kishan Kumar
Kishan Kumar
Company Secretary

Place : Bengaluru
Date : October 28, 2021

KURLON ENTERPRISE LIMITED

Notes forming part of standalone financial statements for the period ended March 31, 2021

Accounting Policies

1 Corporate information

Kurlon Enterprise Limited was incorporated in Mumbai, India on October 03, 2011, as a public limited company under the Companies Act. The Company is a subsidiary of Kurion Limited and is engaged in the business of manufacturing/trading in diverse areas such as Rubberized coir, Latex Foam, Polyurethane foam, Bonded Foam, Pillows, Spring Mattresses, Furniture, Furnishings, Sofas etc.

2 Significant accounting policies

2.1 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are measured at fair values. Further Defined Benefit Plans and Plan Assets are measured at fair value at the end of each reporting period, as explained in the accounting policies below:-

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability and the assumptions the market participants would consider when pricing the asset or liability at the measurement date, assuming that market participants act in their best economic interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable for the asset or liability.

2.2 Use of estimates and judgement

In preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS, management of the Company has made estimates, judgements and assumptions that affect the application of Accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures relating to contingent liabilities as at the date of the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. Judgements are made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an ongoing basis.

Key source of estimation uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year in respect of useful lives of property, plant and equipment, provision for income tax and valuation of deferred tax assets/liabilities, impairment of non-financial assets and provisions and contingent liabilities.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense prospectively.

Provision for Income tax and valuation of Deferred Tax

The Company's tax jurisdictions is India. Judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of non-financial assets, Investments & Loans

Goodwill is tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit ("Value in Use" from continuing operations) is less than its carrying value. The calculation which is based on discounted cash flow model involves use of significant estimates, business assumptions and valuation assumptions such as turnover, Gross Margin, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

Impairment of Investments & Loans and Advances

Investments, Loans & Advances are tested for impairment at least annually and when events occur or changes in circumstances indicate that the value in use from continuing operations of the Investee companies are less than the carrying amount of the investment and loans and advances. The calculation which is based on discounted cash flow model involves use of significant estimates, business assumptions and valuation assumptions such as turnover, Gross Margin, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation arising out of past events and it is probable that an outflow of economic resources would be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimates required to settle the obligation as at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements but are disclosed appropriately. A contingent asset is neither recognized nor disclosed in the financial statements.



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KURLON ENTERPRISE LIMITED

Notes forming part of standalone financial statements for the period ended March 31, 2021

Accounting Policies

2.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when (i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, (ii) effective control over the goods sold, (iii) the amount of revenue can be measured reliably; (iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sales returns are recognised as and when ascertained and are reduced from the sales turnover of the year. Amounts disclosed as revenue are net of Sales Tax, Goods & Service Tax, trade allowances, rebates and value added items. Revenue earned by the Company is derived from the satisfaction of a single performance obligation for each contract which is the sale of products.

Other income

Interest income- Interest income is recognised using effective interest rate method. The effective interest rate is rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

Dividend Income- Dividend income is accounted for when the right to receive is established.

2.4 Foreign currencies

The functional currency of the Company is Indian Rupees.

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities outstanding at the year-end are translated at the rate of exchange prevailing at the year-end and the gain or loss, is recognised in the Statement of Profit and Loss. Non-monetary items of the Company are carried at historical cost.

2.5 Leases

The Company's lease asset classes primarily consist of leases for land and buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense over the lease term.

2.6 Employee benefits

Employee benefits include contribution to provident fund, gratuity fund and employee state insurance scheme.

Retirement benefit cost and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Liabilities for gratuity funded in terms of a scheme administered by the life insurance corporation of India are determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognized in the statement of profit and loss in the period of plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Defined contribution plan

Contribution to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.



Accounting Policies

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized at an actuarially determined liability at the present value of the defined benefit obligation as at the balance sheet date. Liabilities for gratuity funded in terms of a scheme administered by the life insurance corporation of India are determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognized in the statement of profit and loss in the period of plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

2.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years (Temporary Differences) and items that are never taxable or deductible (Permanent Differences). The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax ("MAT") paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

2.8 Property, plant and equipment

Property, plant and equipment are stated at costs less accumulated depreciation (other than freehold land) and impairment loss, if any.

The cost includes purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Lease rentals and premium for lease hold are amortized over the primary lease period.

Depreciation is provided for property, plant and equipment on the straight-line method over the estimated useful life from the date the assets are ready for intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Capital work in progress

Amount paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.

The capital work- in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.



KURLON ENTERPRISE LIMITED

Notes forming part of standalone financial statements for the period ended March 31, 2021

Accounting Policies**2.9 Intangible assets**

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Intangible assets are amortized on a straight line basis over their estimated useful lives from the date that they are available for use.

The estimated useful lives of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss arising from Derecognition of an Intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised/disclosed

2.10 Impairment**Financial assets (other than at Fair Value)**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Non-financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

2.11 Inventory

Items of inventory are valued at lower of cost and net realizable value. Cost of raw materials, stores and spares, packing material and traded goods is determined on weighted average basis. In case of work-in-process and finished goods, cost includes an appropriate proportion of cost of conversion to bring the goods to its present condition. Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and cost necessary to make the sale.

2.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provision for warranty is estimated on the basis of past technical experience.

2.13 Investment in Subsidiaries

Investments in subsidiaries are carried at cost, less accumulated impairment losses, if any. Long-term investments are usually carried at cost. However, when there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognise the decline. Indicators of the value of an investment are obtained by reference to its market value, the investee's assets and results and the expected cash flows from the investment. The type and extent of the investor's stake in the investee are also taken into account. Restrictions on distributions by the investee or on disposal by the investor may affect the value attributed to the investment. Where there is a decline, other than temporary, in the carrying amounts of long term investments, the resultant reduction in the carrying amount is charged to the profit and loss statement. The reduction in carrying amount is reversed when there is a rise in the value of the investment, or if the reasons for the reduction no longer exist.

2.14 Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A) Financial assets**Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit and loss (FVTPL)

Financial assets are measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognized in statement of profit and loss.

Foreign exchange gains and losses

The fair value of foreign assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For the foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in statement of profit and loss.



KURLON ENTERPRISE LIMITED

Notes forming part of standalone financial statements for the period ended March 31, 2021

Accounting Policies

B) Financial liabilities and Equity

Financial liabilities at amortized cost

Financial liabilities are measured at amortized cost using effective interest method.

Equity Instruments

An equity instrument is contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity Instruments recognised by the Company are recognised at the proceeds received net off direct issue costs.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the Instruments and are recognized in "Other income"

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in the profit and loss.

2.15 Earnings per share (EPS)

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.16 Segment reporting

The chief operating decision maker (CODM) identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management reporting structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The Company has only one reportable business segment, which is manufacture, purchase and sale of coil, foam and related products which constitutes a single business segment. Accordingly, the amounts appearing in the financial statements relate to the company's single business segment.

2.17 Research and development

All revenue expenditure related to research and development are charged to the respective heads on the Statement of Profit and Loss. Capital expenditure incurred on research and development is capitalised as property, plant and equipment and depreciated in accordance with the depreciation policy of the Company

2.18 Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.19 Impact on COVID

In March 2020, the World Health Organization declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock down on March 24, 2020, which has impacted the business activities of the Company. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant and equipment, intangibles and goodwill. The Company does not anticipate any material impact on the recoverability of the carrying value of the aforesaid assets. However, considering the nature of the pandemic, the eventual impact may differ from that considered as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions. The Company has resumed its business activities by reopening its factories on a gradual basis in line with the guidelines issued by the Government authorities.

2.20 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.



KURLON ENTERPRISE LIMITED
Notes forming part of the standalone financial statements

3. Property, Plant and Equipment

| Particulars | In Lakhs | | | | | | | | | |
|-------------------------------------|---------------|----------------|-----------|-------------------|----------------------|------------------|----------|----------------|----------|-------------------|
| | Freehold land | Leasehold land | Buildings | Plant & Equipment | Furniture & Fixtures | Office Equipment | Vehicles | Computer Owned | Goodwill | Intangible assets |
| a) Tangible Assets | | | | | | | | | | |
| Gross carrying value | | | | | | | | | | |
| As at March 31, 2019 | 974.18 | 842.50 | 3,704.25 | 17,983.21 | 2,629.80 | 504.49 | 342.48 | 477.28 | 2,103.16 | 1,027.03 |
| Additions | 17.24 | 302.77 | 4,344.20 | 1,209.33 | 411.51 | 45.85 | 138.18 | 58.29 | - | 45.06 |
| Disposals | - | - | - | 4.10 | 0.17 | 0.64 | 156.76 | 3.48 | - | - |
| Reclassified to Right of Use Assets | - | 1,145.27 | - | - | - | - | - | - | - | - |
| As at March 31, 2020 | 991.42 | - | 8,048.45 | 19,188.45 | 3,041.54 | 549.71 | 323.90 | 532.09 | 2,103.16 | 1,072.09 |
| Additions/Adjustments | - | - | 454.30 | 903.50 | 93.08 | 66.96 | 136.80 | 27.95 | - | 0.75 |
| Disposals | - | - | 58.85 | 165.53 | 300.84 | 2.97 | 110.38 | 24.82 | - | - |
| As at March 31, 2021 | 991.42 | - | 8,453.90 | 19,926.42 | 2,833.78 | 613.70 | 350.32 | 535.22 | 2,103.16 | 1,072.84 |
| Accumulated Depreciation | | | | | | | | | | |
| As at March 31, 2019 | - | - | 595.98 | 7,475.92 | 1,118.40 | 299.56 | 111.71 | 350.40 | - | - |
| Additions | - | - | 161.63 | 1,180.10 | 226.24 | 72.66 | 44.83 | 74.56 | - | - |
| Disposals | - | - | - | 3.09 | - | 0.21 | 77.60 | 1.18 | - | - |
| As at March 31, 2020 | - | - | 757.61 | 8,652.93 | 1,344.64 | 372.01 | 78.94 | 423.77 | - | - |
| Additions/Adjustments | - | - | 256.40 | 1,364.85 | 142.74 | 66.43 | 44.99 | 50.51 | - | - |
| Disposals | - | - | 1.25 | 95.47 | 94.47 | 2.80 | 43.37 | 23.41 | - | - |
| As at March 31, 2021 | - | - | 1,012.75 | 9,922.31 | 1,392.91 | 435.64 | 80.56 | 450.87 | - | - |
| Net carrying value | | | | | | | | | | |
| Balance as at March 31, 2021 | 991.42 | - | 7,441.15 | 10,004.11 | 1,440.83 | 178.06 | 269.75 | 84.35 | 2,103.16 | 397.77 |
| Balance as at March 31, 2020 | 991.42 | - | 7,290.84 | 10,535.52 | 1,696.90 | 177.70 | 244.96 | 108.31 | 2,103.16 | 538.95 |

Goodwill is tested for impairment at least annually. Impairment is recognised, if present value of future cash flows is less than the carrying value of goodwill. Future cash flows are forecast for 5 years & then on perpetuity on the basis of certain assumptions which includes revenue growth, Gross Margins, Earnings before interest and taxes and working capital requirement. The assumptions are taken on the basis of past trends and management estimates and judgement. Future cash flows are discounted with "Weighted Average Cost of Capital". The key assumptions are as follows:

| Assumptions | As at 31-Mar-21 | As at 31-Mar-20 |
|--------------------------|-----------------|-----------------|
| Terminal growth rate (%) | 5% | 5% |
| Discount rate (%) | 12% | 12% |

As at 31 March 2021 and 31 March 2020 the estimated recoverable amount of the CGU exceeded its carrying amount and accordingly, no impairment needs to be recognized.



KURLON ENTERPRISE LIMITED

Notes forming part of the standalone financial statements

4a. Right of Use Assets

₹ in Lakhs

| Particulars | Land | Buildings | Total |
|--|----------|-----------|----------|
| Gross carrying value | | | |
| As at March 31, 2020 | | | |
| Impact of adoption of Ind AS 116 (Refer Note 29) | 1,145.27 | 1,994.20 | 3,139.47 |
| Additions/Adjustments | - | 90.32 | 90.32 |
| Disposals/ Adjustments | - | 929.02 | 929.02 |
| As at March 31, 2021 | 1,145.27 | 1,155.50 | 2,300.77 |
| Accumulated Depreciation | | | |
| As at March 31, 2020 | | | |
| Impact of adoption of Ind AS 116 (Refer Note 29) | 19.46 | 691.56 | 711.02 |
| Additions | 19.46 | 390.83 | 410.29 |
| Disposals | - | 349.75 | 349.75 |
| As at March 31, 2021 | 38.92 | 732.64 | 771.56 |
| Net carrying value | | | |
| Balance as at March 31, 2021 | 1,106.35 | 422.86 | 1,529.21 |
| Balance as at March 31, 2020 | 1,125.81 | 1,302.64 | 2,428.45 |

4b. Capital work in progress

₹ in Lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-------------------|-------------------------|-------------------------|
| Building | 645.37 | 205.14 |
| Plant & Machinery | 43.47 | 283.30 |
| Others | 12.34 | 89.90 |
| | 701.18 | 578.35 |



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KURLON ENTERPRISE LIMITED

Notes forming part of the Standalone Financial Statements

5. Investments

| Particulars | As at March 31, 2021 | | | As at March 31, 2020 | | |
|---|----------------------|------------------|-----------------|----------------------|------------------|-----------------|
| | Nos. | Amount | Amount | Nos. | Amount | Amount |
| | | In Lakhs | In Lakhs | | In Lakhs | In Lakhs |
| | | Current | Non-Current | | Current | Non-Current |
| A. Cost | | | | | | |
| I. Investments in Equity Instruments of subsidiary (all fully paid)(Unquoted) | | | | | | |
| Investments in Equity Instruments of subsidiary | | | | | | |
| Kurlon Retail Limited (Formerly Kurlon Retail Private Limited) (shares of ₹ 5/- each fully paid up) (refer note 5(ii) below) | 1,52,65,466 | - | 1,760.00 | 1,52,65,466 | - | 1,760.00 |
| Sirar Solar Energies Private Limited (shares of ₹ 100/- each fully paid up) | 4,690 | - | 4.69 | 690 | - | 0.69 |
| Sevalal Solar Private Limited (shares of ₹ 100/- each fully paid up) | 4,690 | - | 4.69 | 690 | - | 0.69 |
| Sirar Dhotre Solar Private Limited (shares of ₹ 100/- each fully paid up) | 4,690 | - | 4.69 | 690 | - | 0.69 |
| Belvedere International Limited (Shares of Rs.10/- each fully paid) | 50,000 | - | 5.00 | - | - | - |
| Komfort Universe Products and Services Limited (Shares of Rs.10/- each fully paid) | 50,000 | - | 5.00 | - | - | - |
| Starship Value chain and Manufacturing Private Limited (Formerly Starship Manufacturing & Services Private Limited) (Shares of Rs.10/- each fully paid) | 5,000 | - | 0.50 | - | - | - |
| Kanvas Concepts Private Limited (Shares of Rs.10/- each fully paid) | 10,000 | - | 1.00 | - | - | - |
| II. Investment in Commercial Papers (at amortised cost)(Unquoted) | | | | | | |
| Cox and Kings Limited (refer note 5(i) below) | - | - | - | 400 | 2,000.00 | - |
| Total Unquoted Investments | 1,53,94,536 | - | 1,785.57 | 1,52,67,936 | 2,000.00 | 1,762.07 |
| B. Fair Value Through Profit and Loss | | | | | | |
| I. Investments in Mutual funds (Quoted) | | | | | | |
| Franklin India Banking & PSU Fund-Direct-Growth | - | - | - | 1,94,79,860 | 3,295.78 | - |
| HSBC Ultra Short Duration Fund Direct Growth | - | - | - | 30,833 | 311.20 | - |
| Tata Banking & PSU Debt Fund Direct Growth | - | - | - | 49,59,639 | 515.44 | - |
| ABSL Floating Rate Fund-Direct-Growth | 2,03,278 | 550.24 | - | 2,03,278 | 512.86 | - |
| AXIS Short Term Fund-Direct-Growth | 24,25,648 | 616.16 | - | 39,42,706 | 921.62 | - |
| Axis Banking & PSU Debt Fund-Direct Growth | 48,070 | 1,008.41 | - | 26,104 | 506.68 | - |
| Canara Robeco Short Duration Fund - Direct Growth | - | - | - | 12,78,301 | 255.61 | - |
| Kotak Savings Fund-Regular-Growth | - | - | - | 6,39,002 | 205.08 | - |
| Kotak Bond Short Term Fund-Direct-Growth | 10,30,669 | 448.12 | - | 10,30,669 | 413.44 | - |
| Kotak Corporate Bond Fund-Direct-Growth | 17,573 | 524.48 | - | 7,456 | 205.80 | - |
| Kotak BANKING AND PSU DEBT FUND-Direct-Growth | 20,22,554 | 1,042.09 | - | 8,53,190 | 406.52 | - |
| Kotak BANKING AND PSU DEBT FUND-Regular-Growth | 4,35,533 | 219.14 | - | - | - | - |
| L & T Banking & PSU Fund-Regular-Growth | 22,84,679 | 443.33 | - | 22,84,679 | 410.89 | - |
| Sundaram Money Market Fund-Direct-Growth | - | - | - | 54,87,966 | 614.77 | - |
| ICICI Prudential Banking & PSU Debt Fund-Direct-Growth | 40,76,232 | 1,044.18 | - | 16,88,533 | 399.23 | - |
| LICMF Banking & PSU Debt Fund-Direct-Growth | 16,42,874 | 474.95 | - | 11,14,132 | 300.56 | - |
| LICMF Banking & PSU Debt Fund-Regular-Growth | 7,78,062 | 213.29 | - | 7,78,062 | 200.12 | - |
| Canara Robeco Corporate Bond Fund - Direct Growth | 5,57,890 | 100.89 | - | - | - | - |
| DSP Banking and PSU Debt Fund-Direct Growth | 37,20,875 | 713.81 | - | - | - | - |
| DSP Corporate Bond fund Direct Growth | 23,58,987 | 301.97 | - | - | - | - |
| DSP Low Duration Fund- Direct Growth | 12,70,326 | 201.02 | - | - | - | - |
| HDFC Corporate Bond Fund Regular Growth | 12,05,252 | 300.44 | - | - | - | - |
| HSBC Corporate Bond Fund Direct Growth | 9,88,347 | 100.50 | - | - | - | - |
| Aditya Birla Sun life Banking & PSU Debt Fund-Direct-Growth | 1,04,494 | 302.74 | - | - | - | - |
| ICICI Prudential Bond Fund - Direct Plan - Growth | 3,14,599 | 100.67 | - | - | - | - |
| ICICI Prudential Corporate Bond Fund - Direct - Growth | 17,21,136 | 404.58 | - | - | - | - |
| Kotak Low duration Fund Direct Growth | 3,622 | 100.46 | - | - | - | - |
| SBI Banking & PSU Fund Direct Growth | 31,504 | 804.62 | - | - | - | - |
| SBI Corporate Bond Fund-Direct-Growth | 41,08,446 | 501.81 | - | - | - | - |
| Sundaram Banking and PSU Debt Fund-Direct Growth | 17,95,790 | 613.80 | - | - | - | - |
| Total Aggregate Quoted Investments | 3,31,46,439 | 11,131.71 | - | 4,38,04,409 | 9,475.60 | - |
| TOTAL INVESTMENTS CARRYING VALUE (A) | | 11,131.71 | 1,785.57 | | 11,475.60 | 1,762.07 |
| Other Disclosures | | | | | | |
| Aggregate amount of Quoted Investments & market value thereof | - | 11,131.71 | - | - | 9,475.60 | - |
| Aggregate amount of Unquoted Investments | - | - | 1,785.57 | - | 2,000.00 | 1,762.07 |

Note No. 5(i):

The Company had made an investment of Rs. 2,000 Lakhs in Commercial Paper (CP) issued by COX and Kings Limited ("C&K") in four Commercial Papers between June 14, 2019 and June 26, 2019. The amounts were due for maturity/redemption in 40-45 days from date of investment. The maturity dates for the four tranches commenced on 29 July 2019 and ended on August 6, 2019.

At the time of making the investment, the CP was rated as A1+ by Credit Rating agency 'CARE'. This rating indicates highest level of safety. Subsequent to making the investment, C&K defaulted in repayment of borrowings to its bankers from June 28, 2019 onwards, till date.

On October 22, 2019, the National Company Law Tribunal, Mumbai (NCLT) admitted an insolvency petition against C&K, after which it imposed a moratorium on "transferring, encumbering, alienating or disposing off" of any assets belonging to Cox & Kings effective from October 22, 2019. The bench has appointed an Interim resolution professional (IRP) who is overseeing the affairs of the entity. Considering the ongoing insolvency proceedings against C&K, the company is of the opinion that the probability of recovery is remote and hence has written off the same in the books of accounts, and has disclosed the same as an "Exceptional item" in the Statement of Profit and Loss.

Note No. 5(ii):

The company during the previous year invested Rs. 1,000 Lakhs in 66,666 Equity Shares of Rs. 5 each at a premium of Rs. 1495 per Equity Share of Kurlon Retail Limited, based on a valuation carried out by an independent valuer. Further the company has so far given interest free loans aggregating to Rs. 2016.28 lakhs. The net worth of the subsidiary as on 31st March'21 is fully eroded. However, the management has assessed the value in use of the subsidiary and considering the expected volume of sales, margins earned and profitability, the company is of the opinion that presently there is no impairment in the carrying value of the above investment and the loans so far granted to it. In estimating the value in use, the management considered the following assumptions

(i) Weighted Average Cost of Capital(WACC)-12%

(ii) Terminal Growth-1%



KURLON ENTERPRISE LIMITED
Notes forming part of the Standalone Financial Statements

6 Trade Receivables

| Particulars | ₹ in Lakhs | |
|--|----------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Trade Receivables (Unsecured) | | |
| (a) Considered good | 4,923.52 | 6,779.68 |
| (b) which have significant increase in Credit Risk | 1,045.17 | 997.08 |
| | 5,968.69 | 7,776.76 |
| Less: Allowance for Doubtful trade receivables | 1,045.17 | 997.08 |
| TOTAL | 4,923.52 | 6,779.68 |

6a Movement in the Allowance for Doubtful trade receivables

| Particulars | ₹ in Lakhs | |
|---|-----------------|---------------|
| | FY 2020-21 | FY 2019-20 |
| Balance at beginning of the year | 997.08 | 688.89 |
| Impairment losses recognised in the year based on 12 Month Expected Credit Loss | | |
| On Receivables originated in the year | 250.97 | 569.54 |
| Amounts written off during the year as uncollectible | 1.35 | - |
| Amounts Recovered/Written Off During the year | (204.23) | (261.35) |
| Balance at end of the year | 1,045.17 | 997.08 |

7a Security Deposits

| Particulars | ₹ in Lakhs | |
|---|----------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Non-Current | | |
| Unsecured, considered good | | |
| a) Security Deposits- (Carried at amortised cost) | 202.35 | 129.98 |
| b) Deposits with Sales Tax authorities- Under Protest (Carried at amortised cost) | 168.75 | 88.27 |
| c) Deposit Rent-(At Fair Value) | 267.76 | 688.42 |
| TOTAL | 638.86 | 906.67 |
| Current (Carried at amortised cost) | | |
| a) Deposits-Rent- Unsecured, considered good | 265.78 | - |
| b) Security Deposits-Secured, Considered Good | - | 36.18 |
| | 265.78 | 36.18 |

7b Other financial assets

| Particulars | ₹ in Lakhs | |
|--|----------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Other Non Current assets(Carried at amortised cost) | | |
| Loans | | |
| -Related Parties(Note 5(ii) &35) | 2,217.60 | - |
| -Others | 73.15 | - |
| | 2,290.75 | - |



KURLON ENTERPRISE LIMITED

Notes Forming Part of the Standalone Financial Statements

8. Other Non-current and Current Assets

₹ in Lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| Non-Current | | |
| (a) Capital Advances | | |
| (i) For land-(Refer Note(ii) Below) | 1,408.64 | 1,510.23 |
| (ii) For Building(Refer Note(i) below & Note 35) | 622.07 | - |
| (iii) For Others | 27.62 | - |
| (b) Balances with government authorities | 0.97 | 1.62 |
| TOTAL | 2,059.30 | 1,511.85 |
| Current | | |
| (a) Advances to suppliers | | |
| -Related Parties-(Refer Note 35) | 5,517.17 | 4,788.22 |
| - Others | 583.83 | 872.14 |
| (b) Advances to Related Parties | - | 2,781.89 |
| (c) Advances to employees | 24.56 | 33.92 |
| (d) Balances with government authorities | 7.26 | 170.90 |
| (e) Others | | |
| Other Loans and Advances | - | 386.77 |
| Prepaid expenses | 299.06 | 324.57 |
| Insurance Claim | - | 28.64 |
| Gratuity fund | - | 85.22 |
| Leave Encashment Fund | 101.41 | 66.52 |
| TOTAL | 6,533.29 | 9,538.80 |

Note(i)

Represents advance paid to Holding Company , Kurlon Limited towards acquisition of 3 manufacturing premises in and around Bengaluru, detailed below

| Location/Address | ₹ in Lakhs |
|--|---------------|
| Karnataka - No.49, 3rd Phase, Peenya Industrial Area,Bangalore-560058 | 45.99 |
| Karnataka - No.7,Survey No-106/107, KIADB Industrial Area, Yedehalli Village, Dobbaspet, Bangalore - 562 211-Sofa Unit | 341.04 |
| Karnataka - No.22 & 23 KIADB Indl Area, Dobbaspet , Bangalore - 562 211 | 235.04 |
| Total | 622.07 |

Note -(ii)

During the year 2013-2014, the Company's Holding Company Kurlon Limited had paid an advance of Rs. 1,222.76 lakhs to Maharashtra Apex Corporation Limited(MACL)(a related Party) for purchase of Land. In an earlier year, the Honorable Karnataka High Court (The court) had vide its order dated 08th October 2004 had stated that sale of land can be carried out only with it's permission. Subsequently, the court vide its order dated 20 April 2012 accorded its consent for the sale of land to Kurlon Limited. Hence the advance is considered good and recoverable. During the year 2014-2015, the advance was transferred by Kurlon Limited to the Company and has been carried in the books till date.



KURLON ENTERPRISE LIMITED

Notes forming part of the Standalone Financial Statements

9. Inventories*

₹ in Lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| (a) Raw materials | 4,487.83 | 3,735.56 |
| - Goods in transit | - | 10.75 |
| (b) Work-in-progress | 1,786.98 | 1,601.56 |
| (c) Finished goods | 3,691.76 | 4,717.68 |
| - Goods in transit | 30.70 | 61.44 |
| (d) Stock-in-trade | 584.06 | 978.95 |
| (e) Stores and spares | 523.77 | 570.13 |
| Total Inventories at lower of Cost and Net Realisable Value (NRV) | 11,105.10 | 11,676.07 |

* The carrying value of Inventories as reflected above is net of provision for aged/slow moving stock of Rs. 839.69 Lakhs (Rs. 512.69 Lakhs during FY 19-20)

10. Cash and Bank Balances

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| Cash and Cash Equivalents | | |
| (a) Balances with Banks | 36.67 | 327.60 |
| (b) Cheques, Drafts on hand | - | 140.10 |
| (c) Cash on Hand | 3.14 | 34.58 |
| (d) Others In deposit Accounts | 3,941.17 | 744.42 |
| TOTAL | 3,980.98 | 1,246.70 |
| Other Bank Balance | | |
| (a) Earmarked balances with banks (refer note below) | 140.20 | 140.49 |
| (b) Unpaid dividend | 7.43 | 0.80 |
| TOTAL | 147.63 | 141.29 |

Note - Deposits receipts pledged with banks for obtaining Letter of Credit & Bank guarantee facilities.





KURLON ENTERPRISE LIMITED
Notes forming Part of the Standalone Financial Statements

11. Equity Share Capital

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|--|----------------------|--------------------|----------------------|--------------------|
| | No. of shares | Value (₹ in Lakhs) | No. of shares | Value (₹ in Lakhs) |
| Authorised* | | | | |
| Equity shares of ₹ 5/- each with voting rights | 15,06,00,000 | 7,530.00 | 3,80,00,000 | 1,900.00 |
| Issued, Subscribed and fully Paid: | | | | |
| Equity shares of ₹ 5/- each with voting rights | 3,65,52,261 | 1,827.61 | 3,65,82,393 | 1,819.12 |

* Increase in Authorised Share Capital by virtue of merger of Spring Air Bedding Co India Ltd into Kurilon Enterprise Limited (Refer Note-38)

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|--|----------------------|--------------------|----------------------|--------------------|
| | No. of shares | Value (₹ in Lakhs) | No. of shares | Value (₹ in Lakhs) |
| Equity Shares | | | | |
| At the beginning of the year | 3,63,82,393 | 1,819.12 | 3,63,82,393 | 1,819.12 |
| Fully paid shares allotted during the year | 1,69,868 | 8.49 | - | - |
| Bonus issue (refer note v) | - | - | - | - |
| Outstanding at the end of the year | 3,65,52,261 | 1,827.61 | 3,65,82,393 | 1,819.12 |

(ii) Terms/Rights attached to Equity Shares

a. The company has only one class of equity shares having a par value of ₹ 5/- each (March 31, 2020 - ₹ 5/- each) per share. Each holder of equity shares is entitled to one vote per share.

b. In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of Shares held by the Holding Company, the Ultimate Holding Company, Subsidiaries and Associates

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|--|----------------------|-----------------------------------|----------------------|-----------------------------------|
| | No. of shares held | % holding in that class of shares | No. of shares held | % holding in that class of shares |
| Kurilon Limited | | | | |
| Equity shares of ₹ 5/- each with voting rights | 3,09,49,615 | 84.67 | 3,09,46,755 | 85.06 |

(iv) Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of Shareholder | As at March 31, 2021 | | As at March 31, 2020 | |
|--|----------------------|-----------------------------------|----------------------|-----------------------------------|
| | No. of shares held | % holding in that class of shares | No. of shares held | % holding in that class of shares |
| Equity shares of ₹ 5/- each with voting rights | | | | |
| Kurilon Limited | 3,09,49,615 | 84.67 | 3,09,46,755 | 85.06 |
| Indian Business Excellence Fund II A | 23,54,086 | 6.44 | 23,54,086 | 6.47 |

(v) Details of Shares issued for consideration other than cash during the preceding three years

| Particulars | As at March 31, 2021 | | As at March 31, 2019 | | As at March 31, 2017 | |
|----------------------------------|----------------------|--------------------|----------------------|--------------------|----------------------|--------------------|
| | No. of shares | Value (₹ in Lakhs) | No. of shares | Value (₹ in Lakhs) | No. of shares | Value (₹ in Lakhs) |
| Equity Shares with Voting rights | | | | | | |
| Fully paid up Bonus Shares (Nos) | - | - | 85,95,013 | 53,09,120 | - | - |

KURLON ENTERPRISE LIMITED

Notes forming part of the Standalone Financial Statements

12. Other equity

₹ in Lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| Securities Premium | | |
| Amounts received (on issue of shares) excluding the par value has been classified as securities premium. | 14,860.49 | 11,619.58 |
| Monies Pending Allotment (Refer note 38) | | |
| Share supenses/Share Premium on issue of shares 121,735 equity shares and 48,135 equity shares of Rs.5 each fully paid up to be issued to erstwhile SABCIL, pursuant to a scheme of a business combination (more fully described in Note 38), without payment being received in cash. | - | 3,249.40 |
| Shares option outstanding Account | | |
| Balance at the beginning of the year | | 435.58 |
| Add: amount recorded on grants during year | - | - |
| Less: Amount transferred to Retained Earnings | | 435.58 |
| Closing balance | - | - |
| General Reserve | | |
| Balance at the beginning of the year | 1,286.11 | 1,286.11 |
| Add: Transfer from the Statement of Profit & Loss | - | - |
| Less : Utilised during the year for issuing bonus shares | - | - |
| Closing balance | 1,286.11 | 1,286.11 |
| This represents appropriation of profit by the Company. | | |
| Retained Earnings | | |
| Balance at the beginning of the year | 30,454.81 | 22,931.48 |
| Add: Transfer from the Statement of Profit & Loss | 3,719.94 | 8,369.43 |
| Add: Transfer from Other Comprehensive Income (OCI) | 54.22 | 34.15 |
| Less: Dividend Paid | 1,279.33 | 1,091.47 |
| Less: Tax on dividend | - | 224.36 |
| Add: Transfer from Shares Option Outstanding Account | - | 435.58 |
| Closing balance | 32,949.64 | 30,454.82 |
| TOTAL | 49,096.24 | 46,609.90 |



KURLON ENTERPRISE LIMITED
Notes forming part of the Standalone Financial Statements

13. Trade Payables

₹ in Lakhs

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|--|----------------------|-----------------|----------------------|------------------|
| | | | | |
| Total outstanding dues to Micro, small and Medium Enterprises (Refer Note 33) | | 306.00 | | 582.72 |
| Total outstanding dues of creditors other than Micro, small and Medium Enterprises | | 8,828.72 | | 11,781.33 |
| TOTAL | | 9,134.72 | | 12,364.05 |

14. Provisions

₹ in Lakhs

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|--------------|--|---------------|----------------------|---------------|
| | Current | Non-Current | Current | Non-Current |
| | Provisions for Warranty (refer note (i) below) | 142.67 | 656.17 | 409.42 |
| TOTAL | 142.67 | 656.17 | 409.42 | 409.42 |

(i) Movement in Provisions for warranty

₹ in Lakhs

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|--------------------------------------|----------------------|---------------|----------------------|---------------|
| | | | | |
| Balance as at Beginning of the year | | 818.84 | | 818.84 |
| Additional provisions recognised | | 97.18 | | 353.91 |
| Amounts utilised during the year | | 117.18 | | 353.91 |
| Balance as at end of the year | | 798.84 | | 818.84 |



KURLON ENTERPRISE LIMITED

Notes forming part of the Standalone Financial Statements

15a. Lease Liabilities

| Particulars | ₹ in Lakhs | |
|--------------------|----------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Non-Current | | |
| Lease Liabilities | 271.73 | 655.59 |
| TOTAL | 271.73 | 655.59 |
| Current | | |
| Lease Liabilities | 174.40 | 626.62 |
| TOTAL | 174.40 | 626.62 |

15b. Other Financial Liabilities

| Particulars | ₹ in Lakhs | |
|---|----------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Other Financial Liabilities Measured at Amortised Cost | | |
| Non-Current | | |
| Deposits received from Dealers | 5,423.27 | 5,733.02 |
| Deposits received from C & F Agents | 46.01 | 57.00 |
| Deposits-Transporters | 9.25 | 12.25 |
| TOTAL | 5,478.53 | 5,802.27 |
| Current | | |
| Interest accrued on dues to Micro, small and Medium Enterprises (Refer Note 33) | 8.96 | 4.23 |
| Unpaid dividend account | 7.29 | 0.80 |
| Gratuity Payable | 17.22 | |
| Others | 49.82 | 63.84 |
| TOTAL | 83.29 | 68.87 |

16. Current Borrowings

| Particulars | ₹ in Lakhs | |
|--------------------------------|----------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| A. Secured Borrowings | | |
| (a) Loans repayable on demand | | |
| From Banks | 510.95 | 1,216.90 |
| From Other | - | 495.82 |
| TOTAL | 510.95 | 1,712.72 |
| B. Unsecured Borrowings | | |
| (a) Loans from related parties | 676.30 | 676.30 |
| TOTAL | 1,187.25 | 2,389.02 |

Note: Loans repayable on demand are secured by Pari passu first charge on current assets of the Company.

Reconciliation of liabilities arising from financing activities

| Particulars | As at April 1, 2020 | Non-cash changes | | As at March 31, 2021 |
|--|---------------------|---------------------|---------------------------|----------------------|
| | | Financing Cash Flow | Foreign exchange movement | |
| Repayments to bank | 1,216.90 | (705.95) | - | 510.95 |
| Borrowings from Other Financial Institutions | 495.82 | (495.82) | - | - |
| Loans from related parties | 676.30 | - | - | 676.30 |
| Total Borrowings | 2,389.02 | (1,201.77) | - | 1,187.25 |

17. Other Liabilities

| Particulars | ₹ in Lakhs | |
|---|----------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| a. Advances received from customers | 24.61 | 15.74 |
| b. Statutory dues | | |
| - taxes payable (other than income taxes) | 192.12 | 15.91 |
| - Other payable | - | 109.71 |
| Total Other Liabilities | 216.73 | 141.35 |



KURLON ENTERPRISE LIMITED
Notes forming part of the Standalone Financial Statements

18.a Deferred Tax Liabilities

| Particulars | ₹ in Lakhs | |
|---------------------------------------|----------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Deferred tax assets | 396.15 | 822.44 |
| Deferred tax liabilities | (2,779.77) | (2,431.78) |
| Deferred tax liabilities (net) | (2,383.62) | (1,609.34) |

| Deferred tax/liabilities (net) | ₹ in Lakhs | |
|--|----------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Deferred tax liability | | |
| Depreciation and amortisation | (1,774.95) | (2,103.91) |
| Right to Use Asset | (384.90) | (327.87) |
| Goodwill | (529.37) | - |
| MTM on Mutual Fund investment | (90.55) | - |
| Gross deferred tax liability | (2,779.77) | (2,431.78) |
| Deferred tax asset | | |
| a) Provision for doubtful debts | 263.07 | 250.97 |
| b) Provision for Warranty | - | 206.10 |
| c) 43B Disallowance | - | 21.65 |
| d) 3SDD Income Tax Disallowance on Amalgamation expenses | 20.79 | 20.99 |
| e) Lease Liability-INDAS-116 | 112.29 | 322.73 |
| Gross deferred tax asset | 396.15 | 822.44 |
| Net deferred tax liability | (2,383.62) | (1,609.34) |

18.b Non-Current Tax Assets (net)

| Particulars | ₹ in Lakhs | |
|------------------------|----------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Advance tax | 12,045.44 | 12,459.91 |
| Provision for Taxation | (11,396.02) | (11,324.39) |
| | 649.42 | 1,135.52 |

c) Tax reconciliation

Reconciliation of statutory rate of tax and effective rate of tax

| Particulars | ₹ in Lakhs | |
|---------------------------------------|---------------|---------------|
| | 2020-21 | 2019-2020 |
| Profit before Tax (a) | 6,116.22 | 10,142.60 |
| Tax Expense (b) | 2,396.28 | 1,773.17 |
| Tax rate as a % of PBT (b)/(a) | 39.18% | 17.48% |

| Particulars | ₹ in Lakhs | |
|--|-----------------------------------|-----------------------------------|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| Profit before tax as per statement of profit and loss | 6,116.22 | 10,142.60 |
| Income Tax calculated @ 25.17% (PY - 25.17%) | 1,539.45 | 2,552.89 |
| Tax credit of earlier years | - | (244.39) |
| Variance on account of change in tax rate | - | (627.15) |
| Add: Tax on Permanent Differences | | |
| Disallowance of CSR expenses | 65.39 | 60.75 |
| Others | 34.32 | 12.09 |
| Add: Deferred Tax Adjustment | | |
| Goodwill | 529.37 | - |
| Warranty | 227.75 | - |
| Less: Deductions from total income | | |
| Impact of 80IC claim | - | - |
| Impact of 80JAA claim | - | (6.47) |
| Impact of 80G Claim | - | (4.09) |
| Changes in recognised deductible other temporary differences | - | 29.54 |
| Income Tax recognised in Statement of Profit and Loss | 2,396.28 | 1,773.17 |



KURLON ENTERPRISE LIMITED

Notes forming part of the Standalone financial statements

19. Revenue from Operations

₹ in Lakhs

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| Sale of products (refer note (i)) | 80,754.93 | 1,02,737.11 |
| Other operating revenue (refer note (ii)) | 1,068.44 | 1,519.83 |
| Less: Schemes & Rebates | (4,971.96) | (8,352.75) |
| Total Revenue from Operations | 76,851.41 | 95,904.19 |

₹ in Lakhs

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| (i) Sale of products | | |
| <u>Manufactured goods</u> | | |
| Rubberized Coir Mattresses, Cushions | 14,438.87 | 25,191.08 |
| Foam and Foam Products | 23,172.17 | 21,182.30 |
| Sofa | 1,693.36 | 2,370.08 |
| Polyfibre Goods | 3,024.07 | 2,645.09 |
| Furniture | 451.42 | 860.87 |
| Foam Mattresses | 20,731.43 | 24,838.41 |
| Spring Mattresses | 7,338.06 | 12,725.16 |
| Total - Sale of manufactured goods | 70,849.39 | 89,812.99 |
| <u>Traded goods</u> | | |
| Polyfibre Goods | 448.91 | 830.16 |
| Mattresses & Cushions | 7,149.21 | 9,553.88 |
| EPE Sheet & Foam, others | 448.77 | 362.67 |
| Soft Furnishing | 474.54 | 995.56 |
| Others | 1,384.11 | 1,181.85 |
| Total - Sale of Traded Goods | 9,905.54 | 12,924.12 |
| Total - Sale of Products | 80,754.93 | 1,02,737.11 |

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| (ii) Other operating revenues: | | |
| Sale of scrap | 178.32 | 213.58 |
| Others - Raw Materials | 890.12 | 1,306.25 |
| Total - Other Operating Revenues | 1,068.44 | 1,519.83 |

iii) Trade receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue for revenue contracts are recognized at a point in time when the Company transfers control over the product to the customer.

Trade receivable are presented net of impairment in the Balance Sheet.



KURLON ENTERPRISE LIMITED

Notes forming part of the Standalone financial statements

20. Other Income

₹ in Lakhs

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| (a) Interest Income, On Financial Assets at Amortised Cost | | |
| Interest from banks on deposits | 142.33 | 115.50 |
| Interest on loans and advances to employees | 0.46 | 66.29 |
| Interest Others | 108.60 | 1.23 |
| (b) Gain on Fair Valuation of Current Investments | 458.90 | 292.84 |
| (c) Other non operating income | | |
| Foreign Exchange gain (Net) | 2.77 | - |
| Rental income | 2.50 | 122.27 |
| Miscellaneous Income | 177.08 | 207.72 |
| Liabilities no longer required, written back | - | 36.44 |
| Insurance claims | - | 56.71 |
| Total Other Income | 892.64 | 899.00 |



KURLON ENTERPRISE LIMITED

Notes forming part of the Standalone financial statements

21 .a Cost of Materials Consumed

₹ in Lakhs

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Opening stock | 3,735.56 | 3,770.10 |
| Add: Purchases | 34,808.62 | 39,775.95 |
| | 38,544.18 | 43,546.05 |
| Less: Closing stock | 4,487.83 | 3,735.56 |
| Cost of Materials Consumed | 34,056.35 | 39,810.49 |
| Material consumed comprises: | | |
| Latex | 2,070.13 | 3,703.68 |
| Coir | 1,965.43 | 1,321.39 |
| Spring chasis, foam , cloth | - | 956.11 |
| Upholstery | 3,810.49 | 5,405.01 |
| Chemical & Clay | 756.71 | 603.22 |
| Foam Chemicals | 20,279.40 | 20,215.43 |
| Springs and Related Products | 1,446.63 | 2,823.80 |
| Furniture & Sofa | 1,066.81 | 1,858.30 |
| Packing Materials | 1,589.43 | 2,749.80 |
| Others | 1,071.32 | 173.75 |
| | 34,056.35 | 39,810.49 |

21.b Purchase of stock-in-trade

₹ in Lakhs

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|------------------------------|--------------------------------------|--------------------------------------|
| Poly Fibre Goods | 360.17 | 830.16 |
| Traded Mattresses | 6,836.81 | 9,206.40 |
| Furnishing Textiles & others | 219.56 | 995.56 |
| Furniture | - | - |
| | 7,416.54 | 11,032.12 |

21.c Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

₹ in Lakhs

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| <u>Inventories at the beginning of the year:</u> | | |
| Finished goods | 4779.12 | 4,376.64 |
| Work-in-progress | 1601.56 | 1,321.21 |
| Stock-in-trade | 978.95 | 937.46 |
| | 7,359.63 | 6,635.31 |
| <u>Inventories at the end of the year:</u> | | |
| Finished goods | 3722.46 | 4,779.12 |
| Work-in-progress | 1786.98 | 1,601.56 |
| Stock-in-trade | 584.06 | 978.95 |
| | 6,093.50 | 7,359.63 |
| Net (increase) / decrease | 1,266.13 | (724.32) |



KURLON ENTERPRISE LIMITED

Notes forming part of the Standalone financial statements

22. Employee Benefits Expense

₹ in Lakhs

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| (a) Salaries and wages | 5,456.16 | 6855.48 |
| (b) Contribution to provident and other funds | 423.62 | 427.41 |
| (c) Staff welfare expenses | 173.79 | 393.07 |
| Total | 6,053.57 | 7,675.96 |

23. Finance Cost

₹ in Lakhs

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|------------------------------|--------------------------------------|--------------------------------------|
| (a) Interest expense | 57.42 | 150.39 |
| (b) Interest under INDAS-116 | 49.83 | 121.40 |
| (c) Customer Financing Cost | 90.78 | 187.52 |
| (d) Other borrowing cost | 31.90 | 117.79 |
| Total | 229.93 | 577.10 |

24. Depreciation and Amortisation Expense

₹ in Lakhs

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| Depreciation for the year on property, plant and equipment | 1,925.92 | 1,760.01 |
| Amortization for the year on intangible assets | 141.93 | 138.58 |
| Amortisation of ROU Assets | 410.29 | 711.02 |
| Total | 2,478.14 | 2,609.61 |



KURLON ENTERPRISE LIMITED
Notes forming part of the Standalone financial statements

25. Other Expenses

| Particulars | ₹ in Lakhs | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| 1 Stores and spares consumed | 262.12 | 484.21 |
| 2 Power & Fuel oil consumed | 703.99 | 1,165.98 |
| 3 Freight and handling charges | 4,691.61 | 7,226.96 |
| 4 Rent Including lease rentals | 599.82 | 799.13 |
| 5 Repairs and maintenance - Buildings | 15.51 | 51.51 |
| 6 Repairs and maintenance - Machinery | 127.91 | 121.59 |
| 7 Repairs and maintenance - Others | 277.75 | 219.49 |
| 8 Water charges | 15.96 | 23.12 |
| 9 Tailoring & Fabrication | 2,936.50 | 3,739.50 |
| 10 Rates and taxes | 186.39 | 217.90 |
| 11 Expenditure on corporate social responsibility (CSR) (refer note 34) | 259.82 | 241.34 |
| 12 Insurance charges | 297.75 | 289.79 |
| 13 Foreign Exchange loss (Net) | - | 58.78 |
| 14 Watch and ward Charges | 573.60 | 612.75 |
| 15 Donations | - | 2.48 |
| 16 Postage & Telephone | 70.04 | 175.80 |
| 17 Payment to Auditor (Refer note below) | 52.00 | 58.97 |
| 18 Advertisement, Promotion & Selling Expenses | 3,444.31 | 5,192.06 |
| 19 Travelling Expenses | 305.14 | 1,208.14 |
| 20 Printing and stationery | 14.59 | 84.73 |
| 21 Legal and professional | 2,508.90 | 2,295.37 |
| 22 Director Sitting Fees | 2.58 | 2.99 |
| 23 Loss on Property, Plant & Equipment Sold | 252.72 | 34.54 |
| 24 Sundry Creditors written off | 13.14 | - |
| 25 Bad Trade Receivables written off | 1.35 | 2.32 |
| 26 Deposits written off | 22.75 | - |
| 27 Provision for doubtful trade receivables (Net of write back) | 250.97 | 567.22 |
| 28 Provision for Warranty | 97.18 | 353.91 |
| 29 Miscellaneous Expenses | 124.10 | 449.05 |
| Total Other Expenses | 18,108.49 | 25,679.63 |

Note-26

| Payment to Auditor | ₹ In Lakhs | |
|--------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| As Auditor: | | |
| -For Statutory audit | 49.00 | 54.00 |
| -For Tax audit | 3.00 | 3.00 |
| -For Reimbursement of expenses | - | 1.97 |
| | 52.00 | 58.97 |

27. Tax Expense

| Particulars | ₹ In Lakhs | |
|-----------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| a) Current income tax | | |
| In respect of current year | 1,622.00 | 2,650.42 |
| In respect of earlier years | - | (244.39) |
| b) Deferred tax | | |
| In respect of current year | 774.28 | (632.86) |
| Total | 2,396.28 | 1,773.17 |



KURLON ENTERPRISE LIMITED

Notes forming part of the Standalone financial statements

28 Earnings per share has been computed as under:**Earnings per share**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| Profit after Tax (₹ in Lakhs) | 3,774.15 | 8,403.59 |
| Weighted average number of Equity shares outstanding -Basic (Nos.in Lakhs) (Refer Note below) | 365.52 | 363.82 |
| Weighted average number of Equity shares outstanding- Diluted (Nos.in Lakhs) (Refer Note below) | 365.52 | 365.52 |
| Earnings per share – Basic (₹) | 10.33 | 23.10 |
| Earnings per share – Diluted (₹) | 10.33 | 22.99 |
| Face Value of Equity Shares (₹) | 5/- | 5/- |

Note:

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| Weighted average number of equity shares for Basic EPS (Nos. in Lakhs) | 365.52 | 363.82 |
| Add: Effect of Shares to be issued pursuant to approved scheme (Refer Note 38) (Nos. in Lakhs) | | 1.70 |
| Weighted average number of equity shares for Diluted EPS (Nos. in Lakhs) | 365.52 | 365.52 |

29 Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company has applied Ind AS 116 using the modified retrospective approach and accordingly, the comparative information has not been restated.

The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics
The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"
The Company has not applied the requirements of Ind AS 116 for leases of low value assets (assets of less than Rs. NA in value)
The Company has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition
The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.
The Company has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2020, which is 8.00% for measuring the lease liability

The company's leases have remaining lease terms of 0 to 12 years, some of which include options to extend the lease or terminate the lease.

Amounts recognized in profit and loss were as follows

| Particulars | ₹ In Lakhs | |
|---|-------------------|-------------------|
| | YE March 31, 2021 | YE March 31, 2020 |
| Depreciation Expenditure (Amount in INR) | 410.29 | 711.02 |
| Finance Cost on Lease Liabilities (Amount in INR) | 49.83 | 121.40 |
| Impact on the statement of profit and loss for the year ended March 31, 2021 | 460.12 | 832.42 |

As a lessor

The company had sublet certain office premises on a cancellable basis in the previous year which were further renewable at the option of the Company. The total lease income in respect of such leases recognized in the statement of profit and loss for the period is NIL. (March-20 ₹ 122.27 Lakhs).
The company does not have any non-cancellable leases as at March 31, 2021, hence the disclosure of the non-cancellable leases is not provided.



KURLON ENTERPRISE LIMITED

Notes forming part of the Standalone financial statements

30 Contingent Liabilities

₹ In Lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| a) Claims against the Company not acknowledged as debt | | |
| i. Disputed demands under appeal not provided - Sales Tax matter* | 4,434.94 | 716.94 |
| Total | 4,434.94 | 716.94 |

* These cases are pending at various forums in the respective departments. Outflows, if any, arising out of these claims would depend upon the outcome of the decision of the appellate authorities and the Company's right for the future appeals before the judiciary. No reimbursements are expected.

ii. The Company has received a demand on 09 December 2014 for ₹ 2212.12 lakhs, against which ₹ 771.94 Lakhs (PY ₹ 771.94 Lakhs) has been paid under protest, and Personal Penalty of ₹ 200.00 lakhs on Mr. T Sudhakar Pai, Mr. Khushroo F Engineer and Mr. M S Kamath from the Commissioner of Central Excise Bangalore vide order No. Original 21/2014-15 dated 05.12.2014, towards differential excise duty liability on the clearance of Coir Mattresses from Yeshwanthpur unit Bangalore for the period March 2011 to March 2013. The Company has filed an appeal against the demand with Appellate Tribunal Bangalore. The Company believes that there may not be any probable outflow in this regard.

31 Commitments

₹ in Lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---------------------------------------|----------------------|----------------------|
| Capital commitments (net of Advances) | 225.42 | 71.00 |
| Total | 225.42 | 71.00 |

32 Segment Reporting**Operating Segment:**

a) The Company is predominantly engaged in the business of manufacture, purchase and sale of Mattress, foam and related products ('Mattress and Foam'). Considering the manner of review by the CODM in respect of i) Resources to be allocated to the segment and ii) Segment financial performance, 'Mattress and Foam' has been identified as the single operating segment.

b) The revenue from major products and services of the Company are as in Note 19(i) to the financial statements.

c) **Geographical segment information:** Separate geographical segment information has not been disclosed as more than 99% of the Revenue is in the domestic market.



KURLON ENTERPRISE LIMITED

Notes forming part of the Standalone financial statements

33 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2021 and March 31, 2020 has been made in the financial statements based on information received and available with the Company.

| Particulars | ₹ in Lakhs | |
|--|----------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| (i) The principal amount remaining unpaid to any supplier at the end of each accounting year; | 306.00 | 547.32 |
| (ii) The interest due thereon remaining unpaid to any supplier at the end of each accounting year; | 8.96 | 39.64 |
| (iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |
| (iv) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; | - | - |
| (v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |

34 Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, a Company meeting the applicability threshold, need to spend at least 2% of average net profit for the immediately preceding three financial years on Corporate Social Responsibility(CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environments sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per requirement of the companies act, 2013.

| Particulars | ₹ in Lakhs | |
|--|-------------------------------|-------------------------------|
| | For Year ended March 31, 2021 | For Year ended March 31, 2020 |
| Gross Amount required to be spent by the company as per Section 135 of the act | 237.82 | 238.43 |
| Amount spent during the year | - | - |
| (i) Construction/acquisition of any asset | - | - |
| (ii) on purpose other than (i) above | 259.82 | 241.34 |



KURLON ENTERPRISE LIMITED

Notes forming part of the Standalone financial statements

35. Related party disclosures

List of Related Parties and Relationships

| Relationship | Related Parties |
|---|---|
| Holding Company | Kurlon Limited |
| Wholly Owned Subsidiaries | Kurlon Retail Limited |
| | Komfort Universe Products & Services Limited (w.e.f January 18,2021) |
| | Belvedere International Limited (w.e.f December 21,2020) |
| | Kanvas Concepts Private Limited (w.e.f from March 21,2021) |
| | Starship Value chain and Manufacturing Private Limited (Formerly Starship Manufacturing & Services Private Limited)(w.e.f from March 21,2021) |
| Subsidiary Companies | Sevalal Solar Pvt Limited |
| | Sirar Solar Energies Private Limited |
| | Sirar Dhotre Solar Private Limited |
| Fellow Subsidiary | Manipal Software & E-Commerce Pvt Limited (w.e.f March 25, 2021) |
| Enterprises owned or significantly influenced by key management personnel /Directors and their relatives(Where transactions have taken place during the year) | Maha Rashtra Apex Corporation Ltd |
| | Jayamahala Trade and Investments Private Limited |
| | Manipal Advertising Services Private Limited |
| | Metropolis Builders Private Limited |
| | Jai Bharath Mills Private Limited |
| | Starship Global VCT LLP |
| | Home Komfort Retail LLP |
| | Manipal Travels Pvt Ltd |
| Key Management Personnel | Mr. T. Sudhakar Pai, Managing Director |
| | Ms. Jaya S Pai, Director |
| | Ms. Jyothi Pradhan, Chief Executive Officer |
| | Mr. Ritesh Shroff, Chief Financial Officer |
| | Mr. Monu Kumar, Company Secretary |



KURLON ENTERPRISE LIMITED
Notes forming part of the Standalone financial statements

b) Related Party transactions

| Particulars | Key Management personnel and their Relatives | | Ultimate Holding Company | | Wholly Owned Subsidiary | | Subsidiary | | Enterprises owned or significantly influenced by Key Management Personnel / Directors and their relatives | | Total | |
|---|--|------------|--------------------------|------------|-------------------------|------------|------------|------------|---|------------|------------|------------|
| | | | | | | | | | | | | |
| | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 |
| Transactions during the year: | | | | | | | | | | | | |
| Remuneration | | | | | | | | | | | | |
| T. Sudhakar Pai | 261.71 | 405.83 | - | - | - | - | - | - | - | - | 261.71 | 405.83 |
| Shambhu Kumar Bhotika | - | 9.09 | - | - | - | - | - | - | - | - | - | 9.09 |
| Jyothi Pradhan | 44.67 | - | - | - | - | - | - | - | - | - | 44.67 | - |
| Ritesh Shroff | 48.05 | 37.60 | - | - | - | - | - | - | - | - | 48.05 | 37.60 |
| Moru Kumar | 10.33 | 6.54 | - | - | - | - | - | - | - | - | 10.33 | 6.54 |
| Sitting Fee paid | | | | | | | | | | | | |
| Nitin G Khot | 0.65 | 0.92 | - | - | - | - | - | - | - | - | 0.65 | 0.92 |
| S Ananthanarayanan | 0.91 | 1.18 | - | - | - | - | - | - | - | - | 0.91 | 1.18 |
| Jaya S Pai | 1.02 | 0.89 | - | - | - | - | - | - | - | - | 1.02 | 0.89 |
| Rent Paid | | | | | | | | | | | | |
| Jayamahal Trade and Investments Private Limited | - | - | - | - | - | - | - | - | 18.25 | 24.65 | 18.25 | 24.65 |
| Kurlon Limited | - | - | 18.00 | 18.00 | - | - | - | - | - | - | 18.00 | 18.00 |
| Metropolis Builders Pvt Ltd | - | - | - | - | - | - | - | - | 23.57 | 25.42 | 23.57 | 25.42 |
| Jaibharat Mills Private Limited | - | - | - | - | - | - | - | - | 6.00 | 6.00 | 6.00 | 6.00 |
| Scheme Expenses | | | | | | | | | | | | |
| Kurlon Retail Limited | - | - | - | - | 734.50 | - | - | - | - | - | 734.50 | - |
| Professional and Other Expenses/Charges | | | | | | | | | | | | |
| Kurlon Retail Limited | - | - | - | - | - | - | 2.67 | - | - | - | - | 2.67 |
| Kurlon Limited | - | - | - | - | - | - | - | - | - | - | - | - |
| SGVCT LLP | - | - | - | - | - | - | - | - | - | - | - | - |
| Home Komfort Retail LLP | - | - | - | - | - | - | - | - | 1,834.08 | - | 1,834.08 | - |
| Manipal Software & E-Commerce Pvt Ltd | - | - | - | - | - | - | - | - | 178.00 | - | 178.00 | - |
| | - | - | - | - | - | - | - | - | 25.36 | - | 25.36 | - |
| Other Expense(Rate Difference on purchase) | | | | | | | | | | | | |
| Kurlon Limited | - | - | 465.00 | - | - | - | - | - | - | - | 465.00 | - |
| Other Income(Special Discount) | | | | | | | | | | | | |
| Kurlon Limited | - | - | - | 596.44 | - | - | - | - | - | - | - | 596.44 |
| Rental Income | | | | | | | | | | | | |
| Kurlon Retail Limited | - | - | - | - | 197.38 | 109.80 | - | - | - | - | 197.38 | 109.80 |
| Other Income | | | | | | | | | | | | |
| Maha Rashtra Apex Corporation Limited | - | - | - | - | - | - | - | - | - | 4.75 | - | 4.75 |
| Kurlon Retail Limited | - | - | - | - | - | 0.37 | - | - | - | - | - | 0.37 |
| Kurlon Limited | - | - | - | 0.86 | - | - | - | - | - | - | - | 0.86 |
| SGVCT LLP | - | - | - | - | - | - | - | - | 3.05 | - | 3.05 | - |
| Dividend Paid | | | | | | | | | | | | |
| Kurlon Limited | - | - | 1,084.99 | 928.40 | - | - | - | - | - | - | 1,084.99 | 928.40 |
| Advertisement Expenses | | | | | | | | | | | | |
| Manipal Advertising Services Private Limited | - | - | - | - | - | - | - | - | 1,187.33 | 1,497.33 | 1,187.33 | 1,497.33 |
| Travelling Expenses | | | | | | | | | | | | |
| Manipal Travels (India) Private Limited | - | - | - | - | - | - | - | - | 38.82 | 141.59 | 38.82 | 141.59 |
| Interest Paid on Unsecured Loan | | | | | | | | | | | | |
| Jaya S Pai | 55.80 | 65.37 | - | - | - | - | - | - | - | - | 55.80 | 65.37 |
| Advances Paid | | | | | | | | | | | | |
| Kurlon Retail Limited | - | - | - | - | - | 202.21 | - | - | - | - | - | 202.21 |
| Capital Advance Paid | | | | | | | | | | | | |
| Kurlon Limited | - | - | 622.07 | - | - | - | - | - | - | - | 622.07 | - |
| Sales | | | | | | | | | | | | |
| Kurlon Limited | - | - | 1,345.15 | 2,730.01 | - | - | - | - | - | - | 1,345.15 | 2,730.01 |
| Kurlon Retail Limited | - | - | - | - | 941.29 | 2,064.15 | - | - | - | - | 941.29 | 2,064.15 |
| Kanvas Concepts Private Limited | - | - | - | - | 1.29 | - | - | - | - | - | 1.29 | - |
| Home Komfort Retail LLP | - | - | - | - | - | - | - | - | 741.01 | - | 741.01 | - |
| Sales-Building | | | | | | | | | | | | |
| Kurlon Limited | - | - | 42.04 | - | - | - | - | - | - | - | 42.04 | - |
| Purchases | | | | | | | | | | | | |
| Kurlon Limited | - | - | 7,117.75 | 12,928.56 | - | - | - | - | - | - | 7,117.75 | 12,928.56 |
| Kurlon Retail Limited | - | - | - | - | 75.74 | - | - | - | - | - | 75.74 | - |
| Repayment of Loan | | | | | | | | | | | | |
| Jaya S Pai | - | 20.00 | - | - | - | - | - | - | - | - | - | 20.00 |
| Investment | | | | | | | | | | | | |
| Kurlon Retail Limited | - | - | - | - | 1,760.00 | 1,760.00 | - | - | - | - | 1,760.00 | 1,760.00 |
| Sevalal Solar Private Limited | - | - | - | - | - | - | 4.69 | 0.69 | - | - | 4.69 | 0.69 |
| Sriraj Dhotre Solar Private Limited | - | - | - | - | - | - | 4.69 | 0.69 | - | - | 4.69 | 0.69 |
| Sriraj Solar Energies Private Limited | - | - | - | - | - | - | 4.69 | 0.69 | - | - | 4.69 | 0.69 |
| Komfort Universe Products & Services Limited | - | - | - | - | - | - | - | - | - | - | 5.00 | - |



| Particulars | Key Management personnel and their relatives | | Ultimate Holding Company | | Wholly Owned Subsidiary | | Subsidiary | | Enterprises owned or significantly influenced by Key Management Personnel / Directors and their relatives | | Total | |
|---|--|------------|--------------------------|------------|-------------------------|------------|------------|------------|---|------------|------------|------------|
| | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 |
| Belvedere International Limited | - | - | - | - | 5 | - | - | - | - | - | - | 5.00 |
| Kanvas Concepts Private Limited | - | - | - | - | 1 | - | - | - | - | - | - | 1.00 |
| Starship Manufacturing and Services Private | - | - | - | - | 0.5 | - | - | - | - | - | - | 0.50 |
| Outstanding as at Year end: | | | | | | | | | | | | |
| Amounts recoverable | | | | | | | | | | | | |
| Maha Rashtira Apex Corporation Limited | - | - | - | - | - | - | - | - | 1,222.76 | 1,222.76 | 1,222.76 | 1,222.76 |
| Jayamaharaj Trade and Investments Private Limited | - | - | - | - | - | - | - | - | - | - | - | - |
| Kurlon Limited | - | - | 5,773.86 | 4,523.86 | - | - | - | - | - | - | - | - |
| Kurlon Retail Limited | - | - | - | - | 2,016.28 | 2,378.56 | - | - | - | - | - | 5,773.86 |
| Manjal Advertising Services Private Limited | - | - | - | - | - | - | - | - | - | - | - | 2,016.28 |
| Sevalal Solar Private Limited | - | - | - | - | - | - | - | - | 348.32 | - | - | 348.32 |
| Sirar Dhotre Solar Private Limited | - | - | - | - | - | - | 43.73 | 41.27 | - | - | - | 43.73 |
| Sirar Solar Energies Private Limited | - | - | - | - | - | - | 76.07 | 83.66 | - | - | - | 76.07 |
| Kanvas Concepts Private Limited | - | - | - | - | - | - | 81.51 | 87.42 | - | - | - | 81.51 |
| SGVCT LLP | - | - | - | - | 85.00 | - | - | - | - | - | - | 85.00 |
| Home Komfort Retail LLP | - | - | - | - | - | - | - | - | 180.18 | - | - | 180.18 |
| | - | - | - | - | - | - | - | - | 76.53 | - | - | 76.53 |
| Amounts Payable | | | | | | | | | | | | |
| Jayamaharaj Trade and Investments Private Limited | - | - | - | - | - | - | - | - | - | 1.88 | - | 1.88 |
| Metropolis Builders Pvt Ltd | - | - | - | - | - | - | - | - | - | 2.32 | - | 2.32 |
| JalBharat Mills Private Limited | - | - | - | - | - | - | - | - | - | - | - | - |
| Manjal Travels (India) Private Limited | - | - | - | - | - | - | - | - | 15.85 | 12.90 | 15.85 | 12.90 |
| Kurlon Retail Limited | - | - | - | - | - | - | - | - | 6.09 | 3.71 | 6.09 | 3.71 |
| Manjal Advertising Services Private Limited | - | - | - | - | 19.00 | - | - | - | - | - | - | 19.00 |
| Manjal Software & E-Commerce Pvt Ltd | - | - | - | - | - | - | - | - | 45.03 | - | - | 45.03 |
| | - | - | - | - | - | - | - | - | 25.36 | - | - | 25.36 |
| Unsecured Loans payable | | | | | | | | | | | | |
| Jaya S Pat | 676.30 | 676.30 | - | - | - | - | - | - | - | - | - | 676.30 |
| Rent Deposit | | | | | | | | | | | | |
| Metropolis Builders Pvt Ltd | - | - | - | - | - | - | - | - | 30.00 | 30.00 | 30.00 | 30.00 |
| Jayamaharaj Trade and Investments Private Limited | - | - | - | - | - | - | - | - | 9.00 | 9.00 | 9.00 | 9.00 |
| JalBharat Mills Private Limited | - | - | - | - | - | - | - | - | 30.00 | 30.00 | 30.00 | 30.00 |



KURLON ENTERPRISE LIMITED
Notes forming part of the Standalone financial statements

36 Financial Instruments
A) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

| Particulars | ₹ In Lakhs | |
|---|------------------|------------------|
| | As at 31-Mar-21 | As at 31-Mar-20 |
| Total equity attributable to the equity shareholders of the company | 50,923.85 | 48,429.02 |
| As a percentage of total capital | 98% | 95% |
| Current borrowings | 1,187.25 | 2,389.02 |
| Non-current borrowings | - | - |
| Total borrowings | 1,187.25 | 2,389.02 |
| As a percentage of total capital | 2% | 5% |
| Total Capital | 52,111.10 | 50,818.04 |

The Company is predominantly equity financed which is evident from the capital structure table. Further, the Company has always been a net cash Company with cash and bank balances along with investments in liquid securities/liquid mutual funds being in excess of debt.

B) Categories of financial instruments

The carrying amounts and fair values of the financial instruments by class are as follows:

| Particulars | ₹ In Lakhs | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| | Carrying amount | | Fair value | |
| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2021 | As at March 31, 2020 |
| Financial assets | | | | |
| a) Measured at fair value through Profit and Loss | | | | |
| Current assets | | | | |
| - Investments | 11,131.71 | 9,475.60 | 11,131.71 | 9,475.60 |
| Non Current assets | 267.76 | 688.42 | 267.76 | 688.42 |
| - Deposit Rent | | | | |
| b) Measured at Amortised Cost | | | | |
| Non-current assets | | | | |
| - Investments | 1,785.57 | 1,762.07 | 1,785.57 | 1,762.07 |
| - Security Deposits | 371.10 | 218.25 | 371.10 | 218.25 |
| - Loans | 2,290.75 | | 2,290.75 | |
| Current assets | | | | |
| - Investments | | 2,000.00 | | 2,000.00 |
| - Trade receivables | 4,923.52 | 6,779.68 | 4,923.52 | 6,779.68 |
| - Cash and cash equivalents | 3,980.98 | 1,246.70 | 3,980.98 | 1,246.70 |
| - Other Bank Balances | 147.63 | 141.29 | 147.63 | 141.29 |
| - Security Deposit | 265.78 | 36.18 | 265.78 | 36.18 |
| Total | 25,164.80 | 22,348.19 | 25,164.80 | 22,348.19 |
| Financial Liabilities | | | | |
| a) Measured at fair value through Profit and Loss | | | | |
| Non Current liabilities | | | | |
| - Lease Liabilities | 271.73 | 655.59 | 271.73 | 655.59 |
| Current liabilities | 174.40 | 626.62 | 174.40 | 626.62 |
| - Lease Liabilities | | | | |
| b) Measured at Amortised Cost | | | | |
| Non Current liabilities | | | | |
| - Other Financial liabilities | 5,478.53 | 5,802.27 | 5,478.53 | 5,802.27 |
| Current liabilities | | | | |
| - Borrowings | 1,187.25 | 2,389.02 | 1,187.25 | 2,389.02 |
| - Trade payables | 9,134.72 | 12,364.05 | 9,134.72 | 12,364.05 |
| - Other financial liabilities | 83.29 | 68.87 | 83.29 | 68.87 |
| Total | 16,319.92 | 21,906.42 | 16,319.92 | 21,906.42 |

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The Company has disclosed financial instruments which comprise of borrowings, deposits, trade and other payables, investments, loans, trade and other receivables, cash and cash equivalents and other bank balances at carrying value because their carrying are a reasonable approximation of the fair values due to their short term nature.
- Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken into the account for the expected losses of these receivables.

C) Financial Risk Management

The Company's principal financial liabilities, comprise of borrowings, deposits, trade and other payables.

The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee.

This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:



KURLON ENTERPRISE LIMITED
Notes forming part of the Standalone financial statements

i) Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating review and individual credit limits are defined in accordance with this assessment. The Company regularly monitors its outstanding customer receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

ii) Financial Instruments and cash & bank deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits, bonds and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2020 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the company.

| Particulars | ₹ in Lakhs | |
|-----------------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Non-current assets | | |
| - Investments | 1,785.57 | 1,762.07 |
| - Security Deposits | 371.10 | 218.27 |
| - Deposit Rent | 267.76 | 688.42 |
| - Loans | 2,290.75 | |
| Current assets | | |
| - Investments | 11,131.71 | 11,475.60 |
| - Trade receivables | 4,923.52 | 6,779.68 |
| - Cash and cash equivalents | 3,980.98 | 1,246.70 |
| - Other Bank Balances | 147.63 | 141.29 |
| - Security Deposit | 265.78 | 36.18 |
| Total | 25,164.80 | 22,348.21 |

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis and loss allowance of trade receivables given below has been considered from the date the invoice falls due:

| Particulars | ₹ in Lakhs | |
|----------------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Not Due | | |
| Due from 0 to 180 days | 4,919.52 | 6,540.00 |
| Due for more than 180 days | 1,049.17 | 1,236.76 |
| Less: Loss Allowance | (1,045.17) | (997.08) |
| Total | 4,923.52 | 6,779.68 |

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits, short term investments and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be very low.



KURLON ENTERPRISE LIMITED
Notes forming part of the Standalone financial statements

(a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk. Financial instruments affected by market risks include borrowings, security deposits, investments and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at March 31, 2021. The analysis exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2021.

KURLON ENTERPRISE LIMITED
Notes forming part of the Standalone financial statements

I) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency and exchange rate exposure is partly balanced by purchasing of goods from various countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Company profit before tax is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise are as under:

| Foreign Currency (FC) | Currency Symbol | As at March 31, 2021 | | As at March 31, 2020 | |
|--|-----------------|----------------------|--------|----------------------|--------|
| | | FC | INR | FC | INR |
| Liabilities | | | | | |
| Trade Payables | | | | | |
| United States Dollar | \$ | 3,49,115.60 | 258.64 | 1,69,791.90 | 124.26 |
| Euro | € | 29,996.68 | 24.84 | 3,000.00 | 1.49 |
| CHF | CHF | | | 5,555.56 | 4.37 |
| Advances from Customers | | | | | |
| United States Dollar | \$ | 30,358.67 | 21.82 | | |
| Assets | | | | | |
| Advance to Vendor | | | | | |
| United States Dollar | \$ | | | | |
| Euro | € | 22,209.30 | 16.13 | 81,573.79 | 59.70 |
| Trade Receivables-United States Dollar | € | 39,809.70 | 32.49 | 26,415.60 | 20.62 |
| Net Liability (in INR) | \$ | 57,224.26 | 40.06 | 34,911.54 | 24.39 |
| | | | 216.62 | | 25.40 |

| Particulars | Sensitivity | | | |
|---|--|--|---------------------------------|---------------------------------|
| | Increase / (Decrease) in Profit before tax | Increase / (Decrease) in Profit before tax | Increase / (Decrease) in Equity | Increase / (Decrease) in Equity |
| | 31-Mar-21 | 31-Mar-20 | 31-Mar-21 | 31-Mar-20 |
| 5% Increase in all the foreign currencies | 10.83 | (1.27) | 8.10 | (0.95) |
| 5% Decrease in all the foreign currencies | (10.83) | 1.27 | (8.10) | 0.95 |

II) Interest Rate Risk

Interest rate is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises of loans and advances from related parties and security deposits; however these are not exposed to risk of fluctuation in market interest rates as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

Interest rate risk management

Interest rate risk arises from borrowings. Debt issued at variable rates exposes the company to cash flow risk. Debt issued at fixed rate exposes the company to fair value risk. At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

| Particulars | As at | |
|--|----------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| Fixed-rate instruments | | |
| Financial assets | | |
| Balance with banks held in deposit account | 4,081.37 | 884.91 |
| Financial liabilities | | |
| Borrowings from other parties | - | 495.82 |
| Borrowings from related parties | 676.30 | 676.30 |
| Variable-rate instruments | | |
| Financial liabilities | | |
| Borrowings from bank & other parties | 510.95 | 1,216.90 |

Interest rate sensitivity analysis

Financial Instruments affected by interest rate changes include Secured Long term loans from banks, Secured Long term loans from others and Secured Short term loans from banks. The impact of a 1% change in interest rates on the profit will be Rs. 5.11 Lakhs (Previous year: Rs.0.24 Lakhs) assuming the loans at each year end remain constant during the respective years. This computation does not involve a revaluation of the fair value of loans as a consequence of changes in interest rates. The computation also assumes that an increase in interest rates on floating rate liabilities will not necessarily involve an increase in interest rates on floating rate financial assets.

(b) Credit Risk:

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.



KURLON ENTERPRISE LIMITED
Notes forming part of the Standalone financial statements

Maturity profile of financial liabilities
The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date:

| Particulars | ₹ In Lakhs | | |
|---|------------------|------------------|-----------------|
| | Carrying Value | Less than 1 year | 1 to 5 years |
| As at March 31, 2021 | | | |
| Borrowings | 1,187.25 | 1,187.25 | - |
| Lease Liabilities | 446.13 | 174.40 | 271.73 |
| Trade payables | 9,134.72 | 9,134.72 | - |
| Other non-current financial liabilities | 5,478.53 | - | 5,478.53 |
| Other current financial liabilities | 83.29 | 83.29 | - |
| Total | 16,329.92 | 10,579.66 | 5,750.26 |
| As at March 31, 2020 | | | |
| Borrowings | 2,389.02 | 2,389.02 | - |
| Lease Liabilities | 1,282.21 | 626.62 | 655.59 |
| Trade payables | 12,364.05 | 12,364.05 | - |
| Other non-current financial liabilities | 5,802.27 | - | 5,802.27 |
| Other current financial liabilities | 68.87 | 68.87 | - |
| Total | 21,906.42 | 15,448.56 | 6,457.86 |

D) Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Disclosures of fair value measurement hierarchy for financial instruments are given below:

| Particulars | ₹ In Lakhs | | | | | |
|---|----------------------------|---------------|------------------|----------------------|---------------|------------------|
| | Carrying amount/Fair value | | | | | |
| | As at March 31, 2021 | | | As at March 31, 2020 | | |
| | L1 | L2 | L3 | L1 | L2 | L3 |
| Financial assets | | | | | | |
| Carrying amounts/fair value: | | | | | | |
| a) Measured at fair value through Profit and loss/ Other Comprehensive Income | | | | | | |
| Current assets | | | | | | |
| - Investments | 11,131.71 | - | - | 9,475.60 | - | - |
| Non Current assets | | | | | | |
| - Deposit Rent | - | 267.76 | - | - | 688.42 | - |
| b) Measured at Amortised Cost | | | | | | |
| Non Current Assets | | | | | | |
| - Investments | - | - | 1,785.57 | - | - | 1,762.07 |
| - Security Deposits | - | - | 371.10 | - | - | 218.25 |
| - Loans | - | - | 2,290.75 | - | - | - |
| Current assets | | | | | | |
| - Investments | - | - | - | - | - | 2,000.00 |
| - Trade receivables | - | - | 4,923.52 | - | - | 6,779.68 |
| - Cash and cash equivalents | - | - | 4,128.61 | - | - | 1,387.99 |
| - Security Deposit | - | - | 265.78 | - | - | 36.18 |
| Total | 11,131.71 | 267.76 | 13,765.33 | 9,475.60 | 688.42 | 12,184.18 |
| Financial liabilities | | | | | | |
| Carrying amounts/fair value: | | | | | | |
| a) Measured at fair value through profit & loss | | | | | | |
| Non Current liabilities | | | | | | |
| - Lease Liabilities | - | - | 271.73 | - | - | 655.59 |
| Current liabilities | | | | | | |
| - Lease Liabilities | - | - | 174.40 | - | - | 626.62 |
| b) Measured at Amortised Cost | | | | | | |
| Non Current liabilities | | | | | | |
| - Other Financial liabilities | - | - | 5,478.53 | - | - | 5,802.27 |
| Current liabilities | | | | | | |
| - Borrowings | - | - | 2,187.25 | - | - | 2,389.02 |
| - Trade payables | - | - | 9,134.72 | - | - | 12,364.05 |
| - Other current financial liabilities | - | - | 83.29 | - | - | 68.87 |
| Total | - | - | 16,329.92 | - | - | 21,906.42 |

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The management assessed that the carrying value of loans to employees and security deposits approximates the fair value. In both of the years presented, The carrying amounts of other financial assets and financial liabilities (except borrowings) are considered to be the same as their fair values due to their short-term nature.

The below table summarises the borrowings which are measured at amortised cost and for which fair values are disclosed, with corresponding carrying values:

| Particulars | ₹ In Lakhs | | | |
|-------------------------------|-----------------|------------|-----------------|------------|
| | 31-Mar-21 | | 31-Mar-20 | |
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial liabilities: | | | | |
| Borrowings | 1,187.25 | 1,187.25 | 2,389.02 | 2,389.02 |



KURLON ENTERPRISE LIMITED

Notes forming part of the Standalone financial statements

37 Employee benefits**(a) Defined Benefit plans:**

Gratuity : Payable on separation as per the Payment of Gratuity Act, 1972 as amended @ 15 days pay, for each completed year of service to eligible employees who render continuous service of 5 years or more.

Leave Encashment : Employees of the Company are entitled to accumulate their earned/privilege leave up to a maximum of 180 days which is payable/ encashable as per the policy on their separation. This policy has since been removed w.e.f 01st April 2021. Hence, there would be no future payoffs that would fall due under this policy.

(b) Defined Contribution plans:

Company's employees are covered by Provident Fund and Employees State Insurance Scheme/Fund, to which the Company makes a defined contribution measured as a fixed percentage of salary. During the year, amount of ₹ 235.17 lakhs (Previous Year: ₹ 282.33 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

| Particulars | ₹ In Lakhs | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Employer's contribution towards Provident Fund (PF) | 235.17 | 282.33 |
| Employer's contribution towards Labour Welfare Fund | 0.19 | 0.25 |
| Employer's contribution to Superannuation Fund | (0.02) | 1.63 |

(c) Other disclosures of Defined Benefit plans as required under Ind AS-19 are as under**i. Reconciliation of the opening and closing balances of Defined Benefit Obligation:**

| Particulars | ₹ In Lakhs | | | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | Gratuity | | Leave Encashment | |
| | Year ended March 31, 2021 | Year ended March 31, 2020 | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Present Value of Defined Benefit Obligation at the beginning of year | 577.39 | 490.79 | - | 544.76 |
| Interest cost | 31.15 | 31.51 | - | 33.17 |
| Current Service Cost | 50.26 | 62.45 | - | 139.89 |
| Past Service Cost | - | - | - | - |
| Benefit Paid | (185.53) | (13.05) | - | (68.99) |
| Actuarial (Gain) / Loss arising from Change in Demographic Assumptions | - | 9.38 | - | 18.37 |
| Actuarial (Gain) / Loss arising from Change in Financial Assumptions | (0.79) | 14.52 | - | 24.40 |
| Actuarial (Gain) / Loss arising from Changes in Experience Adjustments | 51.00 | (18.22) | - | 192.99 |
| Present value of the Defined Benefit Obligation at the end of year | 523.48 | 577.39 | - | 884.59 |

ii. Net Defined Benefit recognized in the Statement of Profit and Loss.

| Particulars | ₹ In Lakhs | | | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | Gratuity | | Leave Encashment | |
| | Year ended March 31, 2021 | Year ended March 31, 2020 | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Current Service Cost | 50.26 | 62.45 | - | 139.89 |
| Past Service Cost | - | - | - | - |
| Interest cost | 31.15 | 31.51 | - | 33.17 |
| Interest income on plan asset | (37.60) | (37.80) | - | (57.43) |
| Net Defined Benefit recognized in Statement of Profit and Loss | 43.81 | 56.16 | - | 115.63 |

iii. Net asset / (liability) recognized in the Balance Sheet

| Particulars | ₹ in Lakhs | | | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | Gratuity | | Leave Encashment | |
| | Year ended March 31, 2021 | Year ended March 31, 2020 | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Present value of Defined Benefit obligation at the end of the year | 523.48 | 577.39 | - | 884.59 |
| Fair value of plan assets | 506.26 | 662.61 | - | 951.12 |
| Net Defined Benefit recognized in the Balance Sheet | (17.23) | 85.21 | - | 66.53 |

iv. Recognized in Other Comprehensive Income.

| Particulars | ₹ in Lakhs | | | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | Gratuity | | Leave Encashment | |
| | Year ended March 31, 2021 | Year ended March 31, 2020 | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Actuarial (Gain) / Loss arising from Change in Demographic Assumptions | - | 9.38 | - | 18.37 |
| Actuarial (Gain)/Loss on arising from Change in Financial Assumption | (0.79) | 14.52 | - | 24.40 |
| Actuarial (Gain)/Loss on arising from Changes in Experience Adjustments | 51.00 | (18.22) | - | 192.99 |
| Return on Plan Assets (Greater)/Less than Discount rate | 22.24 | 39.96 | - | 25.14 |
| Net actuarial Loss | 72.45 | 45.64 | - | 260.89 |



KURLON ENTERPRISE LIMITED

Notes forming part of the Standalone financial statements

v. Sensitivity Analysis***a) Impact of the change in the discount rate**

| Particulars | Gratuity | | Leave Encashment | |
|--|----------------|----------------|------------------|----------------|
| | Year ended | Year ended | Year ended | Year ended |
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Present value of the Defined Benefit Obligation at the end of year | 523.48 | 577.39 | - | 884.59 |
| a) Impact due to increase of 1% (PY-0.50%) | 486.86 | 534.83 | - | 813.45 |
| b) Impact due to decrease of 1% (PY-0.50%) | 565.37 | 626.36 | - | 967.93 |

b) Impact of the change in the salary increase

| Particulars | Gratuity | | Leave Encashment | |
|--|----------------|----------------|------------------|----------------|
| | Year ended | Year ended | Year ended | Year ended |
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Present value of the Defined Benefit Obligation at the end of year | 523.48 | 577.39 | - | 884.59 |
| a) Impact due to increase of 1% (PY-0.50%) | 561.96 | 625.50 | - | 963.59 |
| b) Impact due to decrease of 1% (PY-0.50%) | 489.39 | 534.93 | - | 816.16 |

*Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

* Sensitivities as to rate of inflation, rate of increase of pension in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

vi. Maturity Profile.

| Particulars | Gratuity | | Leave Encashment | |
|----------------|----------------|----------------|------------------|----------------|
| | Year ended | Year ended | Year ended | Year ended |
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| 0 to 1 year | 52.66 | 32.55 | - | 133.68 |
| 1 to 2 Year | 32.61 | 51.38 | - | 80.80 |
| 2 to 3 Year | 38.60 | 38.17 | - | 67.57 |
| 3 to 4 Year | 40.68 | 39.56 | - | 64.60 |
| 4 to 5 Year | 39.91 | 42.29 | - | 55.74 |
| 5 to 6 Year | 145.05 | 43.89 | - | 56.71 |
| 6 Year onwards | 173.96 | 329.55 | - | 425.49 |

vii. Expected contribution for the next Annual reporting period

| Particulars | Gratuity | | Leave Encashment | |
|---|----------------|----------------|------------------|----------------|
| | Year ended | Year ended | Year ended | Year ended |
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Service Cost | 50.26 | 62.45 | - | 139.89 |
| Net Interest Cost | -5.46 | -6.29 | - | -24.26 |
| Expected Expense for the next annual reporting period | 56.65 | 32.55 | - | 133.68 |

viii. Actuarial Assumptions:

Principal assumptions used for actuarial valuation are:

| Particulars | Gratuity | | Leave Encashment | |
|--|------------------------------|----------------|------------------------------|----------------|
| | Year ended | Year ended | Year ended | Year ended |
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Method used | Projected unit credit method | | Projected unit credit method | |
| Discount rate | 6.52% | 6.50% | - | 6.50% |
| Salary Escalation | 5.00% | 5.00% | - | 5.00% |
| Mortality Rate | IALM (2012-14) | IALM (2012-14) | - | IALM (2012-14) |
| Withdrawal rate up to 30/44 and above 44 years | 10% | 10% | - | 10% |
| Rate of return on plan assets | 6.52% | 6.50% | - | 6.50% |



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KURLON ENTERPRISE LIMITED

Notes forming part of the Standalone financial statements

Accounting Policies**38 Business Combination accounted for in financial year 2019-2020**

The Board of Directors, at their meeting held on August 5, 2019 had approved a scheme of amalgamation ("the Scheme") of Spring Air Bedding Company (India) Limited ("SABCL" of "Transferor Company") with Kurlon Enterprise Limited ("the Company" or "Transferee Company") with an appointed date of April 01, 2018. The Company then had filed an application of the Scheme with the National Company Law Tribunal ("NCLT"), Mumbai and NCLT Delhi. The Scheme was approved by the NCLT Mumbai and NCLT Delhi, vide their orders dated March 12, 2020 and May 05, 2020, respectively, and the aforesaid orders were filed with the Registrar of Companies on June 18, 2020.

In consideration of the Ministry of Corporate Affairs ("MCA") General Circular Ref. 09/2019 dated August 21, 2019 as regards the treatment of 'appointed date' as the 'acquisition date' under Indian Accounting Standard 103 ("Ind AS 103") - Business Combinations, the Management has considered the approvals of the NCLT's and filing of the same with the Registrar of Companies to represent adjusting events and has given the effect of the amalgamation in these financial statements from the appointed date of April 01, 2018, which is also the earliest date of the periods presented in these financial statements. In accordance with the scheme sanctioned, all assets and liabilities of SABCL, as at the appointed date April 1, 2018, was transferred to, and vested with the Company at their respective fair values.

Pursuant to the Scheme, in consideration for the transfer and vesting of all the assets and liabilities:

i) The equity Shareholders of erstwhile SABCL were issued 1 equity share of the Company of Rs. 5 each fully paid up, for every 331 equity shares of Rs. 10 each fully paid up, held by them in SABCL. Accordingly 169,868 equity shares of Rs. 5 each fully paid up (aggregating to Rs.8.49 Lakhs) were issued to the shareholders of the erstwhile SABCL. Further, the erstwhile SABCL during 2018-19 had issued 15,930,000 equity shares of Rs.10 each fully paid up to its shareholders. Accordingly, 48,127 equity shares of the Company of Rs.5 each fully paid up (aggregating to Rs.2.41 Lakhs) were issued to the shareholders of erstwhile SABCL. The above mentioned Shares which were disclosed under Monies pending allotment as at 31 March 2021 under Other Equity have been allotted during the FY 2020-2021.

ii) The above mentioned Shares which were disclosed under Monies pending allotment in the previous year under Other Equity have been allotted during the FY 2020-21.

iii) The amalgamation was accounted under the "Acquisition Method" as specified in Ind AS 103 and other accounting principles generally accepted in India in line with the approved Scheme. Accordingly the assets and liabilities as at April 1, 2018, of SABCL have been taken over at their respective fair values.

The difference, aggregating to Rs. 2,103.16 Lakhs, between the fair values of net identifiable assets acquired as at the appointed date April 1, 2018, and the consideration for the acquisition has been recognized as goodwill, in accordance with the Scheme. The goodwill on acquisition of SABCL has been determined as below:

| Particulars | Rs. In Lakhs |
|---|-----------------|
| Property, plant & equipment | |
| Intangibles - Gross block | 306.26 |
| Other current assets | 6.29 |
| | 137.84 |
| Deferred Tax Assets | |
| Inventories | 1,846.38 |
| Trade Receivables | 470.23 |
| Cash and cash equivalents | 825.54 |
| Current financial assets - loans | 5.00 |
| Total Assets taken over on Amalgamation (A) | 53.37 |
| Short term Borrowings | 3,650.91 |
| Trade Payables | 914.61 |
| Current Provisions | 2,522.38 |
| Other current liabilities | 15.50 |
| Total Liabilities Taken over on Amalgamation (B) | 545.19 |
| Less: Consideration in respect of shares outstanding in SABCL as at April 1, 2018 (C) | 4,097.68 |
| Goodwill on Amalgamation (D) = (C) + (B) - (A) | 1,656.39 |
| | 2,103.16 |

SABCL is engaged in manufacturing/ trading in diverse area such as Pillows, Spring & Foam Mattresses, Furnishing etc.



KURLON ENTERPRISE LIMITED

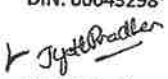
Notes forming part of the Standalone financial statements

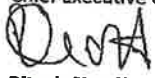
39 From April 1, 2019 onwards, the company has opted to pay income taxes under the concessional tax regime as prescribed under Section 115BAA of the Income Tax Act, 1961. Accordingly, Current tax Liability for the year ended March 31, 2020 and thereafter has been determined and recognized at the concessional rate. The impact arising from restating the deferred tax balances at the reduced rate has been recognised during the previous year.

40 Previous year figures have been regrouped / reclassified, wherever necessary, to confirm to the current year groupings / classifications.

For and on behalf of the Board of Directors


T. Sudhakar Pai
Chairman & Managing Director
DIN: 00043298


Jyothi Pradhan
Chief Executive Officer


Ritesh Shroff
Chief Financial Officer


H.N. Shrinivas
Director
DIN- 07178853


Nandu Kumar
Company Secretary

Place : Bengaluru
Date : October 28, 2021



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INDEPENDENT AUDITOR'S REPORT

To the Members of Kurlon Enterprise Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Kurlon Enterprise Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive income/(loss), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income/(loss), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income/(loss), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The standalone financial statements of the Company for the year ended March 31, 2021, included in these standalone financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on October 28, 2021.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income/(loss), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 38 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 45 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 45 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

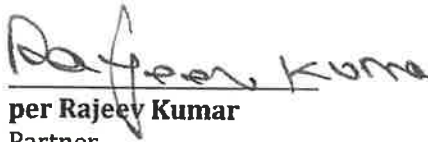
- v. As disclosed in note 15(g) to the standalone financial statements, the final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 15(g) to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For S.R.Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004


per Rajeev Kumar

Partner

Membership Number: 213803



UDIN: 22213803BEIYPP6579

Place of Signature: Bangalore

Date: November 28,2022

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date on the Standalone Financial Statements of Kurlon Enterprise Limited

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification to cover all the items in a phased manner over period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties of Free hold land and Buildings included in property, plant and equipment are held in the name of the Company and in respect of immovable properties of land and buildings that have taken on lease and disclosed as Right-of-use assets in the standalone financial statements, the lease agreements are in the name of the Company.
- (d) The Company has not revalued its property, plant and equipment or intangible assets (including Right-of - use assets) during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder as disclosed in Note 45 to the standalone financial statements.
- (ii)(a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory have not been noted during the physical verification by the management. There are no inventories lying with third parties.
- (b) As disclosed in Note 21 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks in respect of gross value of collateral security (excluding the impact of period end cut off adjustments) are in agreement with the books of accounts of the Company.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (iii)(a) During the year, the Company has provided loans, advances in the nature of loans to companies and other parties as follows:

| Particulars | Loans (Rs. in Lakhs) | Advances in the nature of Loans (Rs. in Lakhs) |
|---|----------------------|--|
| Aggregate amount granted/provided during the year | | |
| - Subsidiaries | 756.28 | - |
| - Others | - | 39.59 |
| Balance outstanding(principal) as at March 31, 2022 | | |
| - Subsidiaries | 2,614.36 | - |
| - Others | 56.74 | 50.29 |

The aforesaid Balance outstanding as at balance sheet date in respect of subsidiaries is net of provision made for doubtful recovery of loans given to subsidiaries amounting to Rs 418.08 lakhs. Also, refer note 8 and 9 in the standalone financial statements.

The Company has not provided Guarantees or securities to companies, firms, Limited Liability Partnerships or any other parties.

- (b) During the year, the terms and conditions of the grant of loans to subsidiaries and advances in nature of loans given to other parties (i.e., employees) are not prejudicial to the Company's interest. Other than above, the Company has not made investments, not provided Guarantees or not provided securities to companies, firms, Limited Liability Partnerships or any other parties. Also refer note 8 and 9 in the standalone financial statements as regards to interest rate, accrual of interest and terms of repayment.
- (c) The Company has granted loans and advances in the nature of loans during the year to companies or any other parties where the schedule of repayment of principal and payment of interest has been stipulated. Loans provided to subsidiaries are repayable on demand along with interest and the Company has not demanded the same during the year. Also, refer note 8 and 9 in the standalone financial statements.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies or other parties which are overdue for more than ninety days. Also, refer note 8 and 9 in the standalone financial statements.
- (e) There were no loans granted to subsidiary companies which had fallen due during the year. There were no loans or advance in the nature of loans granted to companies (other than subsidiaries) or other parties which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties. Also, refer note 8 and 9 in the standalone financial statements.



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Chartered Accountants

- (f) As disclosed in note 8 in the standalone financial statements, the Company has granted loans which are repayable on demand to subsidiary companies. Following are the details of the aggregate amount of loans granted to related parties as defined in clause (76) of section 2 of the Companies Act, 2013:

| | Related Parties (Amount Rs' lakhs) |
|--|---------------------------------------|
| Aggregate amount of loans/ advances in nature of loans - Repayable on demand (Gross amount) | 3,032.44 |
| Percentage of loans/ advances in nature of loans to the total loans | 98.16% |

Except for the above, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies or any other parties. Also, refer note 8 and 9 in the standalone financial statements.

- (iv) The provisions of section 185 and 186 of the Act in respect of loans and investments have been complied with by the Company. There are no guarantees and security in respect of which provisions of sections 186 of the Act are applicable. Also, refer note 8 and 9 in the standalone financial statements.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of mattresses and other products and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii)(a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in remittance of employee's state insurance, professional tax and provident fund a few cases.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



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(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

| Name of the Statute | Nature of Dues | Amount Disputed (Rs. in Lakhs) * | Period to which the amount relates to | Forum where Dispute is Pending |
|--|--|----------------------------------|---------------------------------------|---|
| The Central Excise Act, 1944 | Excise Duty | 1,440.18 | 2011-14 | Central Excise and Service Tax Appellate Tribunal |
| The Income Tax act, 1961 | Income tax | 1072.45 | 2017-18 | Commissioner Of Income Tax (Appeals) |
| Value Added Tax, Sales Tax and Entry Tax | Value Added Tax, Sales Tax and Entry Tax | 24.97 | 2013-14 | The Joint Commissioner - Commercial Taxes |
| | | 3419.26 | 2014-15 | |
| | | 320.91 | 2015-16 | |
| | | 386.13 | 2016-17 | |
| | | 101.30 | 2017-18 | |

* net of Rs 140.14 lakhs paid under protest.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year as disclosed in Note 45 to the standalone financial statements. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix)(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associate or joint venture.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries companies. The company does not have any associate or joint venture.



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- (x)(a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)(a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor, secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii)(a) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- (c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.



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- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) The previous statutory auditors of the Company have resigned during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- (xix) On the basis of the financial ratios disclosed in Note 44 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx)(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note 39 to the standalone financial statements.



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- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in Note 39 to the standalone financial statements.

For S.R.Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Rajeev Kumar

Partner

Membership Number: 213803



UDIN: 22213803BEIYPP6579

Place of Signature: Bangalore

Date: November 28,2022

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ANNEXURE '2' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KURLON ENTERPRISE LIMITED**Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of Kurlon Enterprise Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R.Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Rajeev Kumar
per Rajeev Kumar

Partner

Membership Number: 213803



UDIN: 22213803BEIYPP6579

Place of Signature: Bangalore

Date: November 28, 2022

Kurlon Enterprise Limited
Standalone Balance Sheet as at March 31, 2022
All amounts in Rs. Lakhs, unless otherwise stated

| | Notes | March 31, 2022 | March 31, 2021 |
|--|-------|------------------|------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 4 | 20,706.94 | 20,409.71 |
| Capital work-in-progress | 4 | 398.26 | 701.18 |
| Goodwill | 5 | 2,103.16 | 2,103.16 |
| Other intangible assets | 5 | 263.75 | 397.81 |
| Right of use assets | 6 | 2,051.16 | 1,529.21 |
| Financial assets | | | |
| Investments | 7 | 1,785.57 | 1,785.57 |
| Loans | 8 | 2,614.36 | 2,376.68 |
| Other financial assets | 9 | 665.71 | 938.87 |
| Income tax assets (net) | 10 | 1,445.98 | 643.68 |
| Other non-current assets | 11 | 2,149.04 | 2,058.34 |
| | | 34,183.93 | 32,944.21 |
| Current assets | | | |
| Inventories | 12 | 11,540.36 | 11,105.08 |
| Financial assets | | | |
| Investments | 7 | 10,710.91 | 11,131.71 |
| Trade receivables | 13 | 5,446.95 | 5,473.43 |
| Cash and cash equivalents | 14 | 147.50 | 39.83 |
| Other bank balances | 14 | 4,247.50 | 3,710.66 |
| Loans | 8 | 56.74 | - |
| Other financial assets | 9 | 158.79 | 343.89 |
| Other current assets | 11 | 6,056.71 | 6,442.52 |
| | | 38,365.46 | 38,247.12 |
| Total | | 72,549.39 | 71,191.33 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 15 | 1,827.62 | 1,827.62 |
| Other equity | 16 | 47,514.47 | 49,096.03 |
| | | 49,342.09 | 50,923.65 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Lease liabilities | 17 | 547.88 | 271.73 |
| Other financial liabilities | 18 | 5,361.77 | 5,478.51 |
| Provisions | 19 | 500.79 | 656.17 |
| Deferred tax liabilities (net) | 20 | 1,698.54 | 2,383.62 |
| | | 8,108.98 | 8,790.03 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 21 | 687.56 | 1,187.24 |
| Lease liabilities | 17 | 454.78 | 174.39 |
| Trade payables | 22 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 355.45 | 314.96 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 11,314.77 | 8,218.63 |
| Other financial liabilities | 18 | 1,085.21 | 667.44 |
| Provisions | 19 | 531.21 | 159.89 |
| Other current liabilities | 23 | 669.34 | 755.10 |
| | | 15,098.32 | 11,477.65 |
| Total | | 72,549.39 | 71,191.33 |

Summary of significant accounting policies 3

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Rajeev Kumar
Partner
Membership No.: 213803



For and on behalf of Board of Directors of
Kurlon Enterprise Limited
CIN: U36101MH2011PLC222657

Tonse Sudaakar Pai
Managing Director
DIN : 00043298

Jyoti Ashish Pradhan
Chief Executive Officer

H N Shrinivas
Director
DIN : 07178853

Abhilash Padmanabh Kamti
Chief Financial Officer

Monu Kumar
Company Secretary



Place: Bengaluru
Date: November 28, 2022

Place: Bengaluru
Date: November 28, 2022

Kurlon Enterprise Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2022
All amounts in Rs. Lakhs, unless otherwise stated

| | Notes | March 31, 2022 | March 31, 2021 |
|---|-------|------------------|------------------|
| Income | | | |
| Revenue from operations | 24 | 77,225.58 | 74,447.86 |
| Other income | 25 | 966.79 | 841.17 |
| Total income | | 78,192.37 | 75,289.03 |
| Expenses | | | |
| Cost of raw material consumed | 26 | 36,337.47 | 32,504.37 |
| Purchase of traded goods | 27 | 8,749.41 | 7,437.94 |
| Changes in inventories of finished goods, work-in-progress and traded goods | 28 | 341.82 | 1,266.15 |
| Employee benefit expense | 29 | 5,144.30 | 5,908.91 |
| Finance costs | 30 | 286.96 | 229.92 |
| Depreciation and amortisation expense | 31 | 2,511.98 | 2,426.69 |
| Other expenses | 32 | 24,383.71 | 17,235.35 |
| Total expenses | | 77,755.65 | 67,009.33 |
| Profit before exceptional items and tax | | 436.72 | 8,279.70 |
| Exceptional items | 32(A) | 418.08 | 2,018.68 |
| Profit before tax | | 18.64 | 6,261.02 |
| Tax expense | 43 | | |
| Current tax | | 475.96 | 1,658.47 |
| Tax relating to earlier years | | (130.20) | - |
| Deferred tax (credit)/charge | | (685.08) | 774.28 |
| Total tax expense | | (339.32) | 2,432.75 |
| Profit for the year | | 357.96 | 3,828.27 |
| Other comprehensive income/(loss), net of tax | | | |
| Items that will not be reclassified subsequently to profit or loss in subsequent period | | | |
| Re-measurement gain/(loss) on defined benefit plan | | (149.68) | (72.45) |
| Income tax effect | | 37.68 | 18.24 |
| Total other comprehensive income/(loss) for the year | | (112.00) | (54.21) |
| Total comprehensive income for the year | | 245.96 | 3,774.06 |
| Earnings per equity share (EPS) : | | | |
| Basic and Diluted [Nominal value of shares Rs. 5 (March 31, 2021 : Rs. 5)] | 33 | 0.98 | 10.47 |
| Summary of significant accounting policies | 3 | | |

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm Registration Number: 101049W/E300004

per Rajeev Kumar
 Partner
 Membership No.: 213A03



For and on behalf of Board of Directors of
Kurlon Enterprise Limited
 CIN: U36101MH2011PLC222657

Tonse Sudhakar Pai
 Managing Director
 DIN: 00043290

H.N. Shrinivas
 Director
 DIN: 07178853

Mouli Kumar
 Company Secretary

Jyothi Ashish Pradhan
 Chief Executive Officer

Abhilash Padmanabh Kamti
 Chief Financial Officer

Place: Bengaluru
 Date: November 28, 2022

Place: Bengaluru
 Date: November 28, 2022



Kurlon Enterprise Limited
Standalone Cash Flow Statement for the year ended March 31, 2022
All amounts in Rs. Lakhs, unless otherwise stated

| | March 31, 2022 | March 31, 2021 |
|--|-------------------|--------------------|
| A. Cash flow from operating activities | | |
| Profit before exceptional items and tax | 436.72 | 8,279.70 |
| Non cash adjustment to reconcile profit before tax to net cash flows | | |
| Depreciation and amortisation expense | 2,511.98 | 2,426.69 |
| Loss on sale of property, plant and equipment | 152.21 | 252.71 |
| Advance to suppliers written off | - | 13.13 |
| Bad debts written off | 130.90 | 1.35 |
| Deposits written off | - | 22.75 |
| Gain on modification of lease | (0.92) | - |
| Provision for bad and doubtful debts | 594.68 | 250.96 |
| Provision for doubtful advances | 24.92 | - |
| Provision for warranty | 328.80 | 97.17 |
| Fair value gain on mutual fund at fair value through profit or loss | (125.48) | (411.97) |
| Gain on sale of investments in mutual funds | (355.41) | (46.92) |
| Liabilities no longer required written back | (40.48) | - |
| Interest expenses | 169.30 | 107.24 |
| Interest income | (263.60) | (199.92) |
| Operating cash flow before working capital changes | 3,563.62 | 10,792.89 |
| Movements in working capital : | | |
| Increase/(decrease) in trade payables | 3,114.04 | (3,852.55) |
| Increase/(decrease) in other financial liabilities | 198.72 | 211.28 |
| Increase/(decrease) in other liabilities | (45.28) | 613.75 |
| Increase/(decrease) in provisions | (262.54) | (91.46) |
| Decrease/(increase) in inventories | (435.28) | 570.99 |
| Decrease/(increase) in trade receivables | (568.29) | 1,053.94 |
| Decrease/(increase) in loans | (712.50) | (2,376.68) |
| Decrease/(increase) in other financial assets | 142.12 | (56.58) |
| Decrease/(Increase) in other assets | 360.89 | 6,118.36 |
| Cash generated from operations | 5,355.50 | 12,983.94 |
| Direct taxes paid (net of refunds) | (1,110.38) | (1,148.39) |
| Net cash flow from operating activities (A) | 4,245.12 | 11,835.55 |
| B. Cash flows from investing activities | | |
| Purchase of property, plant and equipment, including capital work in progress and capital advances | (2,195.69) | (5,327.83) |
| Investment in bank deposits | (3,790.00) | (3,863.05) |
| Redemption in bank deposits | 3,563.05 | - |
| Investment in subsidiary | - | (23.50) |
| Purchase of investments | (8,999.58) | (7,657.69) |
| Sale of investments | 9,901.28 | 6,460.47 |
| Proceeds from sale of property, plant and equipment | 17.91 | 149.83 |
| Movement in earmarked balances, net | (1.60) | 0.30 |
| Interest received | 236.53 | 103.52 |
| Net cash flow (used in) investing activities (B) | (1,268.10) | (10,157.95) |
| C. Cash flows from financing activities | | |
| Net (repayment of)/proceeds from short-term borrowings | (499.68) | (1,201.78) |
| Repayment of lease liabilities | (395.35) | (305.08) |
| Interest paid | (146.71) | (98.28) |
| Dividend paid | (1,827.61) | (1,279.33) |
| Net cash flow (used in) financing activities (C) | (2,869.35) | (2,884.47) |
| Net increase/(decrease) in cash and cash equivalents (A + B + C) | 107.67 | (1,206.87) |
| Cash and cash equivalents at the beginning of the year | 39.83 | 1,246.70 |
| Cash and cash equivalents at the end of the year | 147.50 | 39.83 |



Kurlon Enterprise Limited
Standalone Cash Flow Statement for the year ended March 31, 2022
All amounts in Rs. Lakhs, unless otherwise stated

| | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Components of cash and cash equivalents as at end of the year | | |
| Cash in hand | 3.13 | 3.13 |
| Balances with banks : | | |
| In current accounts | 144.37 | 36.70 |
| Total cash and cash equivalents (Refer Note 14) | 147.50 | 39.83 |
| Non-cash investing and financing activities | | |
| Acquisitions to right-of-use assets (Refer Note 6) | 1,005.00 | 90.32 |
| Refer Note 21 for change in liabilities arising from financing activities | | |

Summary of significant accounting policies 3

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Rajeev Kumar
per Rajeev Kumar
Partner
Membership No.: 213803



For and on behalf of Board of Directors of
Kurlon Enterprise Limited
CIN: U36101MH2011PLC222657

Tonse Sudhakar Pai
Tonse Sudhakar Pai
Managing Director
DIN: 00043298

H N Shrinivas
H N Shrinivas
Director
DIN: 07178853

Mona Kumar
Mona Kumar
Company Secretary

Jyothi Pradhan
Jyothi Ashish Pradhan
Chief Executive Officer

Abhilash Kamti
Abhilash Padmanabh Kamti
Chief Financial Officer

Place: Bengaluru
Date: November 28, 2022

Place: Bengaluru
Date: November 28, 2022



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Kurlon Enterprise Limited
Statement of Changes in Equity for year ended March 31, 2022
All amounts in Rs. Lakhs, unless otherwise stated

(a) Equity share capital
Equity share of Rs. 5 each (March 31, 2021: Rs. 5 each) issued, subscribed and fully paid

| | March 31, 2022 | | March 31, 2021 | |
|------------------------------|--------------------|-----------------|--------------------|-----------------|
| | Nos. | Amount | Nos. | Amount |
| At the beginning of the year | 3,65,52,261 | 1,827.62 | 3,63,82,393 | 1,819.12 |
| Changes during the year | - | - | 1,69,868 | 8.50 |
| At the end of the year | 3,65,52,261 | 1,827.62 | 3,65,52,261 | 1,827.62 |

(b) Other equity

| | Share application money pending allotment | Securities premium | General reserve | Retained earnings | Total |
|---|---|--------------------|-----------------|-------------------|------------------|
| Balance as at April 01, 2020 | 3,249.40 | 11,619.58 | 1,286.11 | 30,454.70 | 46,609.79 |
| Transfer to equity share capital on issue of shares | (8.50) | - | - | - | (8.50) |
| Transfer to securities premium on issue of shares | (3,240.90) | 3,240.90 | - | - | - |
| Profit for the year | - | - | - | 3,828.27 | 3,828.27 |
| Other comprehensive income/(loss) | - | - | - | (54.21) | (54.21) |
| Dividend paid | - | - | - | (1,279.33) | (1,279.33) |
| Balance as at March 31, 2021 | - | 14,860.48 | 1,286.11 | 32,949.43 | 49,096.02 |
| Profit for the year | - | - | - | 357.96 | 357.96 |
| Other comprehensive income/(loss) | - | - | - | (112.00) | (112.00) |
| Dividend paid | - | - | - | (1,827.61) | (1,827.61) |
| Balance as at March 31, 2022 | - | 14,860.48 | 1,286.11 | 31,367.78 | 47,514.37 |

Securities premium - This reserve is used to record premium on issue of shares and can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

General reserve - Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

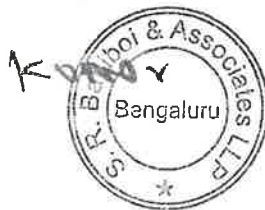
Retained earnings - Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Rajeev Kumar
per Rajeev Kumar
Partner
Membership No.: 213803



For and on behalf of Board of Directors of
Kurlon Enterprise Limited
CIN: U36101MH2011PLC222657

Tonse Sudhakar Pai
Tonse Sudhakar Pai
Managing Director
DIN: 00043298

Jyothi Ashish Pradhan
Jyothi Ashish Pradhan
Chief Executive Officer

Place: Bengaluru
Date: November 28, 2022

H N Shrinivas
H N Shrinivas
Director
DIN: 07178853

Abhilash Padmanabh Kamti
Abhilash Padmanabh Kamti
Chief Financial Officer

Rajeev Kumar
Rajeev Kumar
Company Secretary

Place: Bengaluru
Date: November 28, 2022



Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2022
All amounts in Rs. Lakhs, unless otherwise stated

4. Property, plant and equipment and Capital working in progress

| | Freehold Land | Buildings | Plant & Equipment | Furniture & Fixtures | Office Equipment | Computers | Vehicles | Total | Capital Work in Progress |
|---------------------|---------------|-----------|-------------------|----------------------|------------------|-----------|----------|-----------|--------------------------|
| Cost | | | | | | | | | |
| At April 01, 2020 | 991.42 | 8,048.45 | 19,188.43 | 3,041.54 | 549.71 | 532.09 | 323.90 | 32,675.54 | 578.36 |
| Additions | - | 464.30 | 903.50 | 93.08 | 66.96 | 27.95 | 136.80 | 1,692.59 | 444.08 |
| Disposals | - | (58.85) | (165.53) | (300.84) | (2.97) | (24.82) | (110.38) | (663.39) | (321.26) |
| At March 31, 2021 | 991.42 | 8,453.90 | 19,926.40 | 2,833.78 | 613.70 | 535.22 | 350.32 | 33,704.74 | 701.18 |
| Additions | - | 1,071.33 | 668.41 | 403.53 | 169.42 | 121.03 | 65.31 | 2,499.03 | 339.36 |
| Disposals | - | (63.25) | (36.35) | (225.50) | - | - | (24.25) | (349.35) | (642.28) |
| Adjustments * | - | - | 126.92 | 19.70 | 16.03 | 22.99 | 49.52 | 235.16 | - |
| At March 31, 2022 | 991.42 | 9,461.98 | 20,685.38 | 3,031.51 | 799.15 | 679.24 | 440.90 | 36,089.58 | 398.26 |
| Depreciation | | | | | | | | | |
| At April 01, 2020 | - | 757.60 | 8,652.93 | 1,344.64 | 372.01 | 423.77 | 78.94 | 11,629.89 | - |
| Charge for the year | - | 256.40 | 1,364.85 | 142.74 | 66.43 | 50.51 | 44.99 | 1,925.92 | - |
| Disposals | - | (1.26) | (95.47) | (94.47) | (2.80) | (23.41) | (43.37) | (260.78) | - |
| At March 31, 2021 | - | 1,012.74 | 9,922.31 | 1,392.91 | 435.64 | 450.87 | 80.56 | 13,295.03 | - |
| Charge for the year | - | 280.04 | 1,363.36 | 218.13 | 71.64 | 53.88 | 44.67 | 2,031.72 | - |
| Disposals | - | (17.15) | (20.36) | (136.25) | - | - | (5.51) | (179.27) | - |
| Adjustments * | - | - | 51.20 | 90.06 | 21.43 | 22.96 | 49.51 | 235.16 | - |
| At March 31, 2022 | - | 1,275.63 | 11,316.51 | 1,564.85 | 528.71 | 527.71 | 169.23 | 15,382.64 | - |
| Net block | | | | | | | | | |
| At March 31, 2021 | 991.42 | 7,441.16 | 10,004.09 | 1,440.87 | 178.06 | 84.35 | 269.76 | 20,409.71 | 701.18 |
| At March 31, 2022 | 991.42 | 8,186.35 | 9,368.87 | 1,466.66 | 270.44 | 151.53 | 271.67 | 20,706.94 | 398.26 |

* Represents reclass adjustments between gross block and accumulated depreciation.

Capital work-in-progress (CWIP) ageing schedule

| | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|---------------|--------------|-------------------|---------------|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| As at March 31, 2022 | | | | | |
| Projects in progress | 339.36 | 37.31 | 2.08 | 19.51 | 398.26 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 339.36 | 37.31 | 2.08 | 19.51 | 398.26 |
| As at March 31, 2021 | | | | | |
| Projects in progress | 444.09 | 149.82 | 35.34 | 71.93 | 701.18 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 444.09 | 149.82 | 35.34 | 71.93 | 701.18 |

The Company does not have any projects under capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

5. Intangible assets

| | Goodwill* | Computer Software | Total |
|---------------------|-----------|-------------------|----------|
| Cost | | | |
| At April 01, 2020 | 2,103.16 | 1,073.95 | 3,177.11 |
| Additions | - | 0.75 | 0.75 |
| Disposals | - | - | - |
| At March 31, 2021 | 2,103.16 | 1,074.70 | 3,177.86 |
| Additions | - | 2.90 | 2.90 |
| Disposals | - | - | - |
| At March 31, 2022 | 2,103.16 | 1,077.60 | 3,180.76 |
| Amortisation | | | |
| At April 01, 2020 | - | 534.96 | 534.96 |
| Charge for the year | - | 141.93 | 141.93 |
| Disposals | - | - | - |
| At March 31, 2021 | - | 676.89 | 676.89 |
| Charge for the year | - | 136.96 | 136.96 |
| Disposals | - | - | - |
| At March 31, 2022 | - | 813.85 | 813.85 |
| Net block | | | |
| At March 31, 2021 | 2,103.16 | 397.81 | 2,500.97 |
| At March 31, 2022 | 2,103.16 | 263.75 | 2,366.91 |



Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2022

All amounts in Rs. Lakhs, unless otherwise stated

5. Intangible assets (contd.)

*Goodwill of Rs. 2,103.16 lakhs was recognised upon amalgamation of Spring Air Bedding Company India Limited ('SABCIL') with the Company pursuant to the scheme of amalgamation approved by National Company Law Tribunal ('NCLT'), Mumbai and NCLT, Delhi vide their orders dated March 12, 2020 and May 05, 2020 respectively with an appointed date of April 01, 2018 ('Effective Date').

In view of the synergies, the Company including SABCIL has been considered as a single cash generating unit. The Company tests whether goodwill has suffered any impairment on an annual basis. There is no impairment as per the assessment performed by the management at the year end. Management has performed sensitivity analysis around the basic assumption and have concluded that no reasonable/possible change in key assumptions would cause the recoverable amount lower than the carrying amount of goodwill. In estimating the value in use, the management considered the terminal growth rate of 5% and discount rate of 10.19% as assumptions.

6. Right to use assets

| | Leasehold Land | Buildings | Total |
|---------------------|----------------|-----------|----------|
| Cost | | | |
| At April 01, 2020 | 1,145.27 | 1,994.20 | 3,139.47 |
| Additions | - | 90.32 | 90.32 |
| Disposals | - | (929.02) | (929.02) |
| At March 31, 2021 | 1,145.27 | 1,155.50 | 2,300.77 |
| Additions | - | 1,005.00 | 1,005.00 |
| Disposals | - | (625.22) | (625.22) |
| Adjustments * | - | (84.38) | (84.38) |
| At March 31, 2022 | 1,145.27 | 1,450.90 | 2,596.17 |
| Amortisation | | | |
| At April 01, 2020 | 19.45 | 691.56 | 711.01 |
| Charge for the year | 19.45 | 339.39 | 358.84 |
| Disposals | - | (298.31) | (298.31) |
| At March 31, 2021 | 38.90 | 732.64 | 771.54 |
| Charge for the year | 19.45 | 454.66 | 474.11 |
| Disposals | - | (616.24) | (616.24) |
| Adjustments * | - | (84.38) | (84.38) |
| At March 31, 2022 | 58.35 | 486.68 | 545.03 |
| Net block | | | |
| At March 31, 2021 | 1,106.37 | 422.86 | 1,529.23 |
| At March 31, 2022 | 1,086.92 | 964.22 | 2,051.14 |

* Represents reclass adjustments between gross block and accumulated amortisation.

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Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2022

All amounts in Rs. Lakhs, unless otherwise stated

7. Investment

| | March 31, 2022 | | March 31, 2021 | |
|---|--------------------|------------------|--------------------|------------------|
| | Nos. | Amount | Nos. | Amount |
| Measured at cost | | | | |
| Non-current investments, unquoted | | | | |
| <u>Investments in equity instruments of subsidiary (all fully paid)</u> | | | | |
| Kurlon Retail Limited (Formerly known as Kurlon Retail Private Limited) (Shares of Rs. 5/- each fully paid up) (refer Note 7(ii) below) | 1,52,65,466 | 1,760.00 | 1,52,65,466 | 1,760.00 |
| Sirar Solar Energies Private Limited (Shares of Rs. 100/- each fully paid up) | 4,690 | 4.69 | 4,690 | 4.69 |
| Sevalal Solar Private Limited (Shares of Rs. 100/- each fully paid up) | 4,690 | 4.69 | 4,690 | 4.69 |
| Sirar Dhotre Solar Private Limited (Shares of Rs. 100/- each fully paid up) | 4,690 | 4.69 | 4,690 | 4.69 |
| Belvedere International Limited (Shares of Rs. 10/- each fully paid) | 50,000 | 5.00 | 50,000 | 5.00 |
| Komfort Universe Products and Services Limited (Shares of Rs. 10/- each fully paid) | 50,000 | 5.00 | 50,000 | 5.00 |
| Starship Manufacturing & Services Private Limited (Shares of Rs. 10/- each fully paid) | 5,000 | 0.50 | 5,000 | 0.50 |
| Kanvas Concepts Private Limited (Shares of Rs. 10/- each fully paid) | 10,000 | 1.00 | 10,000 | 1.00 |
| Total | 1,53,94,536 | 1,785.57 | 1,53,94,536 | 1,785.57 |
| Measured at fair value through profit and loss | | | | |
| Current investments, quoted | | | | |
| <u>Investments in mutual funds</u> | | | | |
| Kotak Banking & PSU Debt Fund Direct Growth | 20,33,681 | 1,103.94 | 24,58,086 | 1,261.24 |
| Axis Short Term Plan-D-G | 35,96,142 | 959.55 | 24,25,648 | 616.16 |
| DSP Banking and PSU Debt Fund-Direct Growth | 42,32,783 | 845.36 | 37,20,875 | 713.81 |
| IDFC Corporate Bond Fund Regular Plan-Growth | 45,34,078 | 713.42 | - | - |
| ICICI Prudential Banking & PSU Debt Fund | 22,00,468 | 592.37 | 40,76,232 | 1,044.18 |
| Kotak Bond Short Term Fund - Direct Growth | 12,56,924 | 574.36 | 10,30,669 | 448.12 |
| Kotak Corporate Bond Fund - Direct Growth | 17,573 | 550.54 | 17,573 | 524.48 |
| Mirae Asset Corporate Bond Fund-R G | 48,46,475 | 505.80 | - | - |
| LIC MF PSU Banking Fund Direct Growth | 16,42,874 | 493.42 | 16,42,874 | 474.95 |
| HSBC Corporate Bond Fund Direct Growth | 39,27,087 | 419.78 | 9,88,347 | 100.50 |
| Trust MF Banking & PSU Debt Fund - Direct Plan - Growth | 29,009 | 306.34 | - | - |
| ICICI Prudential Ultra short term Fund -D G | 12,71,606 | 304.05 | - | - |
| JM Low Duration Fund - R G | 9,96,504 | 301.12 | - | - |
| Canara Robeco Corporate Bond Fund - Direct Growth | 11,09,397 | 209.37 | 5,57,890 | 100.89 |
| PGIM India Low Duration Fund D G | 7,96,144 | 203.30 | - | - |
| Mahindra Manulife Short Term Fund D G | 19,22,171 | 203.04 | - | - |
| Trust MF Short Term Fund D G | 19,695 | 202.27 | - | - |
| Tata Corporate Bond Fund D G | 19,99,900 | 202.26 | - | - |
| Edelweiss Nifty PSU Bond Plus Sdl Index Fund 2026 R G | 18,83,463 | 201.97 | - | - |
| Axis CPSE Plus SDL 2025 Debt Index Fund D G | 19,99,900 | 201.65 | - | - |
| Canara Robeco Short Term Duration Fund -D G | 8,98,208 | 201.47 | - | - |
| Trust MF Banking & PSU Debt Fund - Regular - Growth | 19,076 | 200.28 | - | - |
| ICICI Prudential Corporate Bond Fund - Direct Plan - Growth | 4,15,282 | 102.10 | 17,21,136 | 404.58 |
| Nippon Short Term Fund - D G | 2,23,873 | 101.92 | - | - |
| ABSL Floating Rate Fund -Dg | 35,907 | 101.81 | - | - |
| Tata Banking & PSU Debt Fund D G | 8,56,480 | 101.73 | - | - |
| Invesco India Corporate Bond Fund - D G | 3,716 | 101.63 | - | - |
| Edelweiss Nifty PSU Bond Plus Sdl Index Fund D G | 9,93,561 | 101.41 | - | - |
| Edelweiss Nifty PSU Bond Plus Sdl Index Fund 2027 R G | 9,93,996 | 101.38 | - | - |
| Invesco India Medium Duration Fund- D G | 9,826 | 101.33 | - | - |
| L & T Low Duration Fund Direct Growth | 4,21,328 | 100.53 | - | - |
| Nippon India Corporate Bond Fund - D G | 2,02,851 | 100.51 | - | - |
| DSP Short Term Fund-D G | 2,47,808 | 100.47 | - | - |
| ABSL Crisil Aaa Jun 2023 Index Fund D G | 10,00,261 | 100.43 | - | - |
| SBI Banking & PSU Fund Direct Growth | - | - | 31,504 | 804.62 |
| Sundaram Banking And PSU Debt Fund-Direct Growth | - | - | 17,95,790 | 613.80 |
| Axis Banking PSU fund Direct Growth | - | - | 48,070 | 1,008.41 |
| ABSL Floating Rate Growth Direct Plan | - | - | 2,03,278 | 550.24 |
| SBI Corporate Bond Fund-Direct Plan-Growth | - | - | 41,08,446 | 501.81 |
| L & T Banking & PSU Debit Fund-Growth | - | - | 22,84,679 | 443.33 |
| ABSL Banking & PSU Debt Fund-Growth-Direct Plan | - | - | 1,04,494 | 302.74 |
| LIC MF Banking And PSU Debt Fund - Regular Plan-G | - | - | 7,78,062 | 213.29 |
| DSP Low Duration Fund- Direct Growth | - | - | 12,70,326 | 201.02 |
| ICICI Prudential Bond Fund - Direct Plan - Growth | - | - | 3,14,599 | 100.67 |
| Kotak Low Duration Fund Direct Growth | - | - | 3,622 | 100.46 |
| DSP Corporate Bond Fund Direct Growth | - | - | 23,58,987 | 301.97 |
| HDFC Corporate Bond Fund Regular Growth | - | - | 12,05,252 | 300.44 |
| Total | 4,66,38,045 | 10,710.91 | 3,31,46,439 | 11,131.71 |
| Aggregate amount of unquoted investments | | 1,785.57 | | 1,785.57 |
| Aggregate amount of cost of quoted investments | | 10,140.87 | | 10,676.04 |
| Aggregate amount of market value of quoted investments | | 10,710.91 | | 11,131.71 |



Kurlon Enterprise Limited**Notes to the standalone financial statements for the year ended March 31, 2022****All amounts in Rs. Lakhs, unless otherwise stated****7. Investment (contd.)**

- (i) The Company had made an investment of Rs. 2,000 lakhs in Commercial Paper (CP) issued by Cox and Kings Limited ("C&K") in four Commercial Papers between June 14, 2019 and June 26, 2019. The amounts were due for maturity/redemption in 40-45 days from date of investment. The maturity dates for the four tranches commenced on July 29, 2019 and ended on August 6, 2019. At the time of making the investment, the CP was rated as A1+ by Credit Rating agency 'CARE'. This rating indicates highest level of safety. Subsequent to making the investment, C&K defaulted in repayment of borrowings to its bankers from June 28, 2019 onwards till date.

On October 22, 2019, the National Company Law Tribunal, Mumbai (NCLT) admitted an insolvency petition against C&K, after which it imposed a moratorium on "transferring, encumbering, alienating or disposing off" of any assets belonging to C&K effective from October 22, 2019. The bench has appointed an Interim resolution professional (IRP) who is overseeing the affairs of the entity. Considering the ongoing insolvency proceedings against C&K, the Company was of the opinion that the probability of recovery is remote and hence had written off the same in the books of accounts and had disclosed the same as an "Exceptional item" in the Statement of Profit and Loss for the year ended March 31, 2021.

On December 16, 2021 vide order no. 587/2021, the NCLT has approved the liquidation of the Company and appointed the liquidator to initiate the liquidation process. Accordingly, the Company has filed an application for claims submission to the liquidator.

- (ii) As at March 31, 2022, the Company has invested Rs. 1,760.00 lakhs in 15,265,466 equity shares of Rs. 5 each of Kurlon Retail Limited. Further, the Company has so far given loans aggregating to Rs. 2,601.34 lakhs (March 31, 2021 : Rs. 2,016.28 lakhs). The net worth of the subsidiary as on March 31, 2022 and March 31, 2021 is fully eroded. However, the management has assessed the value in use of the subsidiary and considering the expected volume of sales, margins earned and profitability, the Company is of the opinion that presently there is no impairment in the carrying value of the above investment and the loans so far granted to it. In estimating the value in use, the management considered the following assumptions :

| | March 31, 2022 | March 31, 2021 |
|--------------------------|----------------|----------------|
| Terminal growth rate (%) | 5.00% | 1.00% |
| Discount rate (%) | 9.59% | 12.00% |

B. Loans**Unsecured, at amortised cost****Loans**

- Subsidiaries (Refer Note 35)
- Others

Loans

- Subsidiaries (Refer Note 35)
- Less : Loss allowance

| | Non - current | | Current | |
|--------------------------------|-----------------|-----------------|----------------|----------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| - Subsidiaries (Refer Note 35) | 2,614.36 | 2,303.53 | - | - |
| - Others | - | 73.15 | 56.74 | - |
| | 2,614.36 | 2,376.68 | 56.74 | - |
| Loans | | | | |
| - Subsidiaries (Refer Note 35) | 418.08 | - | - | - |
| Less : Loss allowance | (418.08) | - | - | - |
| | 2,614.36 | 2,376.68 | 56.74 | - |

- (a) The details of unsecured loans to subsidiaries given for the purpose of working capital requirements are as follows :

| Name of the subsidiary | Rate of interest | Due date of repayment (Note (b)) | March 31, 2022 | | March 31, 2021 | |
|---|------------------|----------------------------------|-----------------|----------------------|-----------------|-----------|
| | | | Gross | Allowance (Note (c)) | Gross | Allowance |
| Kurlon Retail Limited (Refer Note (d)) | 8.50% | On demand | 2,601.34 | - | 2,017.23 | - |
| Kanvas Concepts Private Limited (Refer Note (e)) | 8.50% | On demand | 162.76 | (162.76) | 85.00 | - |
| Komfort Universe Products and Services Private Limited (Refer Note (e)) | 8.50% | On demand | 81.40 | (81.40) | - | - |
| Sirar Solar Energies Private Limited | 8.50% | On demand | 74.59 | (74.59) | 81.51 | - |
| Sirar Dhotre Solar Private Limited | 8.50% | On demand | 68.81 | (68.81) | 76.07 | - |
| Sevalal Solar Private Limited | 8.50% | On demand | 30.53 | (30.53) | 43.72 | - |
| Belvedere International Limited (Refer Note (e)) | 8.50% | On demand | 13.01 | - | - | - |
| Total | | | 3,032.44 | (418.08) | 2,303.53 | - |

- (b) The Company has granted various loans to its subsidiary companies to meet their working capital requirements which has been approved by the Board of Directors. The aforesaid loans are repayable on demand along with interest and management believes that these terms are not prejudicial to the Company's interests. The Company has not demanded the aforesaid loans along with interest during the year.
- (c) Considering the financial position of these subsidiaries, the Company has provided loss allowance on the aforesaid outstanding loan amount as of March 31, 2022 and same has been shown as exceptional item.
- (d) The loan provided to Kurlon Retail Limited ('KRL'), wholly owned subsidiary, is repayable on demand along with interest and the management does not have intention to demand in the near future. Accordingly, the Company has not accrued the interest on the aforesaid loan considering revenue recognition policy of the Company. As detailed in Note 7(ii), the Company is confident on recovery of loan from KRL considering future business plan and accordingly, no loss allowance has been made as of March 31, 2022.
- (e) Considering the financial position of these subsidiaries, the Company has not accrued the interest on the aforesaid loan considering revenue recognition policy of the Company.
- (f) Except as disclosed above in note 8, there are no loans to Directors or other officers of the Company or any of them either severally or jointly with any other person or loans to any firm in which director is a partner.



Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2022
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9. Other financial assets

| | Non - current | | Current | |
|--|----------------|----------------|----------------|----------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| Considered good unless otherwise stated | | | | |
| Unsecured, at amortised cost | | | | |
| Interest accrued on fixed deposits | - | - | 84.44 | 78.11 |
| Security deposits | 665.71 | 638.87 | 74.35 | 265.78 |
| Other bank balance | | | | |
| Deposits with remaining maturity for more than 12 months (Refer note 14) | - | 300.00 | - | - |
| | 665.71 | 938.87 | 158.79 | 343.89 |
| Unsecured, credit impaired | | | | |
| Interest accrued on loan given to subsidiaries | - | - | 16.82 | - |
| Less : Loss allowance (Refer Note 35 and below) | - | - | (16.82) | - |
| | | | | |
| | 665.71 | 938.87 | 158.79 | 343.89 |

Pertains to interest on loan given to subsidiaries which are payable on demand along with respective principal amounts. Considering the financial position of these subsidiaries, the Company has provided loss allowance on the interest accrued on loan given to subsidiaries on outstanding interest amount as of March 31, 2022. Refer Note 8(a) for details.

10. Income tax assets (net)

| | March 31, 2022 | March 31, 2021 |
|--|-----------------|----------------|
| Advance income tax net of provision for current tax & including tax deducted at source | 1,445.98 | 643.68 |
| | 1,445.98 | 643.68 |

11. Other assets

| | Non - current | | Current | |
|--|-----------------|-----------------|-----------------|-----------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| Unsecured, considered good | | | | |
| Capital advances (Refer Note (i) below) | 2,149.04 | 2,058.34 | - | - |
| Advances recoverable in cash or kind | | | | |
| - Related parties (Refer Note 35) | - | - | 4,715.56 | 5,431.21 |
| - Others | - | - | 698.39 | 583.86 |
| Advance to employees | - | - | 50.23 | 24.55 |
| Prepaid expenses | - | - | 285.69 | 299.05 |
| Leave encashment fund | - | - | 7.23 | 101.41 |
| Balances with statutory/government authorities | - | - | 299.61 | 2.44 |
| | 2,149.04 | 2,058.34 | 6,056.71 | 6,442.52 |
| Unsecured, credit impaired | | | | |
| Advances recoverable in cash or kind | | | | |
| - Others | - | - | 24.92 | - |
| Less : Provision for doubtful advances | - | - | (24.92) | - |
| | | | | |
| Total | 2,149.04 | 2,058.34 | 6,056.71 | 6,442.52 |

(i) Capital advances includes the following :

(a) During the year 2013-2014, the Kurlon Limited ("Holding Company") had paid an advance of Rs. 1,222.76 lakhs to Maharashtra Apex Corporation Limited (MRACL) (a related party) for purchase of land. In an earlier year, the Honorable Karnataka High Court (The court) had vide its order dated October 08, 2004 had stated that sale of land can be carried out only with it's permission. Subsequently, the court vide its order dated April 20, 2012 accorded its consent for the sale of land to Kurlon Limited. Hence, the advance is considered good and recoverable. During the financial year 2014-2015, the advance was transferred by Holding Company to the Company and has been carried in the books till date. The Company and MRACL is in the process of completing necessary steps required for the aforesaid execution of sale deed.

(b) Advance paid to Holding Company, Kurlon Limited towards acquisition of 3 manufacturing premises in and around Bengaluru, detailed below :

| Location/Address | Amount |
|--|---------------|
| Karnataka - No.49, 3rd Phase, Peenya Industrial Area, Bangalore - 560058 | 45.99 |
| Karnataka - No. 7, Survey No-106/107, KIADB Industrial Area, Yedehalli Village, Dobbaspeta, Bangalore - 562211 - Sofa Unit | 341.04 |
| Karnataka - No. 22 & 23 KIADB Indl Area, Dobbaspeta, Bangalore - 562211 | 235.04 |
| | 622.07 |

Subsequent to the year end, the Company has adjusted above advance against security deposit towards lease agreement entered with its Holding Company.



Kurlon Enterprise Limited
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12. Inventories (valued at lower of cost and net realizable value)

| | March 31, 2022 | March 31, 2021 |
|---|------------------|------------------|
| Raw materials (includes in transit Rs. 657.89 lakhs (March 31, 2021 - Rs. Nil)) | 5,242.40 | 4,487.83 |
| Work in progress | 1,836.54 | 1,786.97 |
| Finished goods (includes in transit Rs. Nil (March 31, 2021 - Rs. 30.70 lakhs)) | 3,536.69 | 3,722.45 |
| Spares and consumables | 546.30 | 523.77 |
| Traded goods | 378.43 | 584.06 |
| | 11,540.36 | 11,105.08 |

The carrying value of inventories as reflected above is net of provision for aged/slow moving stock of Rs. 706.79 lakhs (March 31, 2021 : Rs. 920.88 lakhs).

13. Trade receivables

| | March 31, 2022 | March 31, 2021 |
|--|-----------------|-----------------|
| Financial assets, at amortised cost | | |
| Unsecured, considered good | 5,446.95 | 5,473.43 |
| Unsecured, credit impaired | 1,592.89 | 1,045.17 |
| | 7,039.84 | 6,518.60 |
| Provision for doubtful receivables | (1,592.89) | (1,045.17) |
| | 5,446.95 | 5,473.43 |

Notes:

(i) Trade receivables are non-interest bearing and are generally on terms of 7 to 90 days.

(ii) For balances with related parties, refer Note 35.

(iii) Trade Receivables ageing schedule:

| | Outstanding for following periods from the due date of payment | | | | | | Total |
|--|--|--------------------|--------------------|---------------|---------------|-------------------|-----------------|
| | Not due | Less than 6 months | 6 months to 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| March 31, 2022 | | | | | | | |
| Undisputed trade receivables - considered good | 571.63 | 4,673.51 | 185.51 | 13.65 | 1.83 | 0.82 | 5,446.95 |
| Undisputed trade receivables - credit impaired | - | - | - | 872.50 | 227.37 | 151.86 | 1,251.73 |
| Disputed trade receivables - credit impaired | - | - | - | 76.28 | 104.38 | 160.50 | 341.16 |
| | 571.63 | 4,673.51 | 185.51 | 962.43 | 333.58 | 313.18 | 7,039.84 |
| March 31, 2021 | | | | | | | |
| Undisputed trade receivables - considered good | 3,172.41 | 1,747.11 | 553.91 | - | - | - | 5,473.43 |
| Undisputed trade receivables - credit impaired | - | - | 58.32 | 385.70 | 199.44 | 82.15 | 725.61 |
| Disputed trade receivables - credit impaired | - | - | 10.95 | 51.51 | 96.38 | 160.72 | 319.56 |
| | 3,172.41 | 1,747.11 | 623.18 | 437.21 | 295.82 | 242.87 | 6,518.60 |

14. Cash and bank balances

| | Non-Current | | Current | |
|--|----------------|----------------|-----------------|-----------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| Cash and cash equivalents | | | | |
| Cash in hand | - | - | 3.13 | 3.13 |
| Balances with banks : | | | | |
| In current accounts | - | - | 144.37 | 36.70 |
| | | | 147.50 | 39.83 |
| Other bank balances | | | | |
| Deposits with remaining maturity for less than 12 months | - | - | 4,090.00 | 3,563.05 |
| Deposits with remaining maturity for More than 12 months | 300.00 | - | - | - |
| Earmarked balances with banks * | - | - | 141.79 | 140.19 |
| Unclaimed dividend account | - | - | 15.71 | 7.42 |
| | 300.00 | - | 4,247.50 | 3,710.66 |
| Less: Amount disclosed under other non-current financial assets (Refer note 9) | (300.00) | - | - | - |
| | - | - | 4,395.00 | 3,750.49 |

* Deposits receipts pledged with banks for obtaining letter of credit & bank guarantee facilities.



Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2022
All amounts in Rs. Lakhs, unless otherwise stated

15. Equity share capital

| | March 31, 2022 | | March 31, 2021 | |
|--|---------------------|-----------------|---------------------|-----------------|
| | Nos. | Amount | Nos. | Amount |
| Authorised shares | | | | |
| Equity shares of Rs. 5/- each with voting rights | 15,06,00,000 | 7,530.00 | 15,06,00,000 | 7,530.00 |
| | 15,06,00,000 | 7,530.00 | 15,06,00,000 | 7,530.00 |
| Issued, subscribed and fully paid-up shares | | | | |
| Equity shares of Rs. 5/- each with voting rights | 3,65,52,261 | 1,827.62 | 3,65,52,261 | 1,827.62 |
| | 3,65,52,261 | 1,827.62 | 3,65,52,261 | 1,827.62 |

a. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

| | March 31, 2022 | | March 31, 2021 | |
|---|--------------------|-----------------|--------------------|-----------------|
| | Nos. | Amount | Nos. | Amount |
| At the beginning of the year | 3,65,52,261 | 1,827.62 | 3,63,82,393 | 1,819.12 |
| Issued during the year | - | - | 1,69,868 | 8.50 |
| Outstanding at the end of the year | 3,65,52,261 | 1,827.62 | 3,65,52,261 | 1,827.62 |

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 5 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by Holding Company

| | March 31, 2022 | | March 31, 2021 | |
|--|--------------------|---------------|--------------------|---------------|
| | Nos. | % | Nos. | % |
| <u>Kurlon Limited, the Holding Company</u> | | | | |
| Equity shares of Rs. 5/- each | 3,09,24,115 | 84.60% | 3,09,49,615 | 84.67% |
| | 3,09,24,115 | 84.60% | 3,09,49,615 | 84.67% |

d. Details of shareholders holding more than 5% shares in the Company

| | March 31, 2022 | | March 31, 2021 | |
|--------------------------------------|----------------|--------|----------------|--------|
| | Nos. | % | Nos. | % |
| <u>Equity shares of Rs. 5/- each</u> | | | | |
| Kurlon Limited | 3,09,24,115 | 84.60% | 3,09,49,615 | 84.67% |
| Indian Business Excellence Fund II A | 23,54,086 | 6.44% | 23,54,086 | 6.44% |

* Includes the beneficial interest in 100 shares, which are registered in the name of the Managing Director.

e. Details of shares issued for consideration other than cash during the preceding five years

| | March 31, 2022 | March 31, 2021 | March 31, 2020 | March 31, 2019 | March 31, 2018 |
|---|----------------|----------------|----------------|------------------|------------------|
| <u>Equity shares of Rs. 5/- each with voting rights</u> | | | | | |
| Fully paid up bonus shares | - | - | - | 85,95,013 | 53,09,120 |
| | - | - | - | 85,95,013 | 53,09,120 |

f. Details of shares held by promoters

As at March 31, 2022

| | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of total shares | % change during the year |
|--------------------|--|------------------------|--------------------------------------|-------------------|--------------------------|
| Kurlon Limited | 3,09,49,615 | (25,500) | 3,09,24,115 | 84.60% | -0.08% |
| Tonse Sudhakar Pai | 347 | - | 347 | 0.00% | - |
| Jaya Sudhakar Pai | 347 | - | 347 | 0.00% | - |
| | 3,09,50,309 | (25,500) | 3,09,24,809 | 84.60% | -0.08% |



Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2022
All amounts in Rs. Lakhs, unless otherwise stated

15. Equity share capital (contd.)

As at March 31, 2021

| | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of total shares | % change during the year |
|--------------------|--|------------------------|--------------------------------------|-------------------|--------------------------|
| Kurlon Limited | 3,09,46,755 | 2,860 | 3,09,49,615 | 84.67% | 0.01% |
| Tonse Sudhakar Pai | 347 | - | 347 | 0.00% | - |
| Jaya Sudhakar Pai | 347 | - | 347 | 0.00% | - |
| | 3,09,47,449 | 2,860 | 3,09,50,309 | 84.67% | 0.01% |

g. Dividend made and proposed

| | March 31, 2022 | | March 31, 2021 | |
|--|----------------|----------|----------------|----------|
| | Dividend/Share | Rs. | Dividend/Share | Rs. |
| Dividend on equity shares declared and paid | | | | |
| Final dividend for the year ended March 31, 2021 paid in financial year 2021-22: Rs 1,827.61 lakhs (for the year ended March 31, 2020 paid in financial year 2020-21: Rs 1,279.33 lakhs) | 5.00 | 1,827.61 | 3.50 | 1,279.33 |
| Proposed dividend on equity shares | | | | |
| Proposed dividend for the year ended March 31, 2022 : Rs 182.76 Lakhs (for the year ended March 31, 2021: Rs 1,827.61 lakhs) | 0.50 | 182.76 | 5.00 | 1,827.61 |

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31.

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Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2022
All amounts in Rs. Lakhs, unless otherwise stated

16. Other equity

| | March 31, 2022 | March 31, 2021 |
|---|------------------|------------------|
| Share application money pending allotment | | |
| Balance at the beginning of the year | - | 3,249.40 |
| Add : Transfer to equity share capital on issue of shares | - | (8.50) |
| Add : Transfer to securities premium on issue of shares | - | (3,240.90) |
| Balance as at end of the year | - | - |
| Securities premium account | | |
| Balance at the beginning of the year | 14,860.49 | 11,619.59 |
| Add : Premium on issue of shares | - | 3,240.90 |
| Balance as at end of the year | 14,860.49 | 14,860.49 |
| General reserve | | |
| Balance at the beginning of the year | 1,286.11 | 1,286.11 |
| Add : Transfer from surplus in the statement of profit and loss | - | - |
| Balance as at end of the year | 1,286.11 | 1,286.11 |
| Retained earnings | | |
| Balance at the beginning of the year | 32,949.52 | 30,454.70 |
| Add : Profit for the year | 357.96 | 3,828.27 |
| Add : Other comprehensive income/(loss) for the year | (112.00) | (54.21) |
| Less : Dividend paid | (1,827.61) | (1,279.33) |
| Balance as at end of the year | 31,367.87 | 32,949.43 |
| Total | 47,514.47 | 49,096.03 |

17. Lease liabilities

| | Non - current | | Current | |
|-------------------|----------------|----------------|----------------|----------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| Lease liabilities | 547.88 | 271.73 | 454.78 | 174.39 |
| | 547.88 | 271.73 | 454.78 | 174.39 |

The movement of lease liabilities during the year is as below:

| | March 31, 2022 | March 31, 2021 |
|-------------------------------|-----------------|----------------|
| At the beginning of the year | 446.12 | 1,282.21 |
| Additions | 961.79 | - |
| Interest expense | 82.30 | 49.83 |
| Payments | (477.65) | (354.91) |
| Termination of leases | (9.90) | (531.01) |
| At the end of the year | 1,002.66 | 446.12 |

The maturity analysis of lease liabilities are disclosed in Note 42.

18. Other financial liabilities

| | Non - current | | Current | |
|-------------------------------------|-----------------|-----------------|-----------------|----------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| Unsecured, at amortised cost | | | | |
| Security deposits* | 5,361.77 | 5,478.51 | - | - |
| Employee related liabilities | - | - | 918.57 | 603.11 |
| Payable for capital goods | - | - | 150.93 | 56.91 |
| Unpaid dividend account | - | - | 15.71 | 7.42 |
| | 5,361.77 | 5,478.51 | 1,085.21 | 667.44 |

* represents security deposits received from customers.

19. Provisions

| | Non - current | | Current | |
|---------------------------------|----------------|----------------|----------------|----------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| Provision for warranty* | 374.32 | 656.17 | 444.52 | 142.67 |
| Provision for employee benefits | | | | |
| Gratuity (Refer Note 40) | 126.47 | - | 86.69 | 17.22 |
| | 500.79 | 656.17 | 531.21 | 159.89 |

* Provision for warranty :

The Company provides warranties on its products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at year end represent the amount of the expected cost based on past experience of meeting such obligations. The table below gives information about movement in warranty provisions.

| | March 31, 2022 | March 31, 2021 |
|--------------------------------------|----------------|----------------|
| Balance as at beginning of the year | 798.84 | 818.84 |
| Provisions created during the year | 328.64 | 97.18 |
| Amounts utilised during the year | (308.64) | (117.18) |
| Balance as at end of the year | 818.84 | 798.84 |
| Current | 444.52 | 142.67 |
| Non-current | 374.32 | 656.17 |

20. Deferred tax liabilities (net)

| | March 31, 2022 | March 31, 2021 |
|--------------------------|-----------------|-----------------|
| Deferred tax liabilities | 2,609.66 | 2,779.77 |
| Deferred tax assets | (911.12) | (396.15) |
| | 1,698.54 | 2,383.62 |

Refer Note 43 for further details.



Kurlon Enterprise Limited
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21. Borrowings

| | March 31, 2022 | March 31, 2021 |
|--|----------------|-----------------|
| Secured borrowings | | |
| Loans from banks | 11.26 | 510.94 |
| Unsecured borrowings | | |
| Loans from related parties (Refer Note 35) | 676.30 | 676.30 |
| | 687.56 | 1,187.24 |

(a) **Loan from banks of Rs. 11.26 lakhs (March 31, 2021 : Rs. 510.94 lakhs)**

(i) The Company has obtained various facilities from Axis Bank and IDBI Bank. The loan is secured by first pari passu charge on entire current assets of the Company. The loan is repayable on demand and carries Interest rate of 3 months MCLR + 0.2% p.a. and 1 year MCLR + 0.1% p.a. on the cash credit facility respectively. The outstanding balance against the aforesaid facility as of March 31, 2022 is Rs. Nil (March 31, 2021 : Rs. 498.94 lakhs).

(ii) The Company has obtained corporate credit cards from banks and the outstanding balance as of March 31, 2022 is Rs. 11.26 lakhs (March 31, 2021 : Rs. 12.00 lakhs).

(b) **Loan from related parties of Rs. 676.30 lakhs (March 31, 2021 : Rs. 676.30 lakhs)**

The Company has obtained a loan from Mrs. Jaya S Pai, Director. The loan is unsecured and is repayable on demand and carries interest rate of 8.5% p.a.

The table below depicts changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes :

Reconciliation of liabilities arising from financing activities

| | Beginning of the year | Cash flows (net) | Non cash adjustments | End of the year |
|---|-----------------------|-------------------|----------------------|-----------------|
| March 31, 2022 | | | | |
| Loans from banks | 510.94 | (499.68) | - | 11.26 |
| Loans from related parties | 676.30 | - | - | 676.30 |
| Lease liabilities | 446.12 | (395.35) | 951.89 | 1,002.66 |
| | 1,633.36 | (895.03) | 951.89 | 1,690.22 |
| March 31, 2021 | | | | |
| Loans from banks | 1,216.90 | (705.96) | - | 510.94 |
| Loans from other financial institutions | 495.82 | (495.82) | - | - |
| Loans from related parties | 676.30 | - | - | 676.30 |
| Lease liabilities | 1,282.21 | (305.08) | (531.01) | 446.12 |
| | 3,671.23 | (1,506.86) | (531.01) | 1,633.36 |

22. Trade payables

| | March 31, 2022 | March 31, 2021 |
|--|------------------|-----------------|
| At amortised cost | | |
| Total outstanding dues of micro enterprises and small enterprises (Refer Note 35) | 355.45 | 314.96 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 11,314.77 | 8,218.63 |
| | 11,670.22 | 8,533.59 |

Ageing of trade payables

| | Outstanding for following periods from the date of transaction | | | | | Total |
|--------------------------------------|--|------------------|--------------|--------------|-------------------|------------------|
| | Unbilled | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| March 31, 2022 | | | | | | |
| Undisputed trade payables - MSME | 31.54 | 323.91 | - | - | - | 355.45 |
| Undisputed trade payables - Non MSME | 4,861.25 | 6,356.19 | 65.68 | 10.29 | 21.36 | 11,314.77 |
| Total | 4,892.79 | 6,680.10 | 65.68 | 10.29 | 21.36 | 11,670.22 |
| March 31, 2021 | | | | | | |
| Undisputed trade payables - MSME | 8.96 | 306.00 | - | - | - | 314.96 |
| Undisputed trade payables - Non MSME | 2,168.12 | 6,036.17 | 9.01 | 5.33 | - | 8,218.63 |
| Total | 2,177.08 | 6,342.17 | 9.01 | 5.33 | - | 8,533.59 |

23. Other current liabilities

| | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Contract liabilities - Advance from customers | 436.82 | 574.52 |
| Statutory dues payables | 232.52 | 180.58 |
| | 669.34 | 755.10 |

Contract liabilities are recognised as revenues when the Company performs under the contract (i.e. transfer of control of the related goods).



Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2022
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24. Revenue from operations

| | March 31, 2022 | March 31, 2021 |
|--|------------------|------------------|
| Revenue from contracts with customers | | |
| Sale of products | | |
| Finished goods | 73,182.76 | 70,652.55 |
| Traded goods | 12,677.06 | 9,461.95 |
| Less : Schemes & rebates | (8,858.68) | (5,844.95) |
| Other operating revenue | | |
| Scrap sales | 224.44 | 178.31 |
| Revenue from operations | 77,225.58 | 74,447.86 |

(a) Timing of revenue from operations

| | March 31, 2022 | March 31, 2021 |
|--------------------------------------|------------------|------------------|
| Goods transferred at a point in time | 77,225.58 | 74,447.86 |
| | 77,225.58 | 74,447.86 |

(b) Reconciliation of amount of revenue recognised with contract price

| | March 31, 2022 | March 31, 2021 |
|-------------------------------|------------------|------------------|
| Revenue as per contract price | 86,084.26 | 80,292.81 |
| Less : Discounts | (8,858.68) | (5,844.95) |
| | 77,225.58 | 74,447.86 |

(c) Movement in contract liabilities during the year *

| | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Opening balance | 574.52 | 15.74 |
| Less : Revenue recognised during the year | (574.52) | (15.74) |
| Add : Amount of consideration received during the year | 436.82 | 574.52 |
| | 436.82 | 574.52 |

* Contract liabilities consists of advances received from customers towards supply of products.

25. Other income

| | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Interest income | | |
| - On fixed deposits | 235.17 | 142.32 |
| - On security deposits | 20.74 | 18.29 |
| | 7.69 | 39.31 |
| Pair value gain on mutual fund at fair value through profit or loss | 125.48 | 411.97 |
| Gain on sale of investments in mutual funds | 355.41 | 46.92 |
| Liabilities no longer required written back | 40.48 | - |
| Gain on modification of lease | 0.92 | - |
| Foreign currency exchange gain (net) | - | 2.77 |
| Miscellaneous income | 180.90 | 179.59 |
| | 966.79 | 841.17 |

26. Cost of raw materials consumed

| | March 31, 2022 | March 31, 2021 |
|--|------------------|------------------|
| Inventories at the beginning of the year | 4,487.83 | 3,735.56 |
| Add: Purchases | 37,092.04 | 33,256.64 |
| Less: Inventories at the end of the year | (5,242.40) | (4,487.83) |
| Cost of raw materials consumed | 36,337.47 | 32,504.37 |

27. Purchase of traded goods

| | March 31, 2022 | March 31, 2021 |
|--------------------------|-----------------|-----------------|
| Purchase of traded goods | 8,749.41 | 7,437.94 |
| | 8,749.41 | 7,437.94 |

28. Changes in inventories of finished goods, work-in-progress and traded goods

| | March 31, 2022 | March 31, 2021 |
|---|-----------------|-----------------|
| Inventories at the end of the year | | |
| Finished goods | 3,536.69 | 3,722.45 |
| Work in progress | 1,836.54 | 1,786.97 |
| Traded goods | 378.43 | 584.06 |
| | 5,751.66 | 6,093.48 |
| Inventories at the beginning of the year | | |
| Finished goods | 3,722.45 | 4,779.12 |
| Work in progress | 1,786.97 | 1,601.56 |
| Traded goods | 584.06 | 978.95 |
| | 6,093.48 | 7,359.63 |
| | 341.82 | 1,266.15 |



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Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2022
All amounts in Rs. Lakhs, unless otherwise stated

29. Employee benefit expenses

| | March 31, 2022 | March 31, 2021 |
|---|-----------------|-----------------|
| Salaries, wages and bonus | 4,660.38 | 5,456.16 |
| Gratuity expenses (Refer Note 40) | 58.10 | 43.81 |
| Contribution to provident and other funds (Refer Note 40) | 244.97 | 276.80 |
| Staff welfare expenses | 180.85 | 132.14 |
| | 5,144.30 | 5,908.91 |

30. Finance costs

| | March 31, 2022 | March 31, 2021 |
|--------------------------|----------------|----------------|
| Interest expenses | | |
| - On borrowings | 87.00 | 57.41 |
| - On lease liabilities | 82.30 | 49.83 |
| Customer financing costs | 89.79 | 90.78 |
| Other | 27.87 | 31.90 |
| | 286.96 | 229.92 |

31. Depreciation and amortisation expense

| | March 31, 2022 | March 31, 2021 |
|---|-----------------|-----------------|
| Depreciation of property, plant and equipment * | 1,900.91 | 1,925.92 |
| Amortisation of intangible assets | 136.96 | 141.93 |
| Amortisation of right to use assets | 474.11 | 358.84 |
| | 2,511.98 | 2,426.69 |

* Net of depreciation cross charged to group companies amounting to Rs. 130.81 lakhs (March 31, 2021 : Rs. Nil)

32. Other expenses

| | March 31, 2022 | March 31, 2021 |
|--|------------------|------------------|
| Consumption of stores, spares and consumables | 324.71 | 262.12 |
| Power and fuel | 861.72 | 703.99 |
| Freight outward | 6,574.02 | 4,691.60 |
| Rent | 58.96 | 599.81 |
| Repairs and maintenance | | |
| Buildings | 81.83 | 15.50 |
| Plant and machinery | 147.73 | 127.90 |
| Others | 289.02 | 277.74 |
| Tailoring and fabrication | 3,093.63 | 2,936.49 |
| Rates and taxes | 126.46 | 186.55 |
| Expenditure on corporate social responsibility | 202.99 | 259.82 |
| Insurance expenses | 305.62 | 297.75 |
| Foreign currency exchange loss (net) | 16.51 | - |
| Security expenses | 565.34 | 573.60 |
| Warehouse charges | 974.47 | 86.93 |
| Postage and telephone expenses | 134.42 | 70.04 |
| Payment to auditors * | 55.00 | 52.00 |
| Advertisement, promotion and selling expenses | 3,852.45 | 2,484.37 |
| Travelling and conveyance expenses | 916.95 | 305.14 |
| Legal and consultancy charges | 4,423.34 | 2,508.88 |
| Director's sitting fees | 1.67 | 2.58 |
| Loss on sale of property, plant and equipment | 152.21 | 252.71 |
| Advance to suppliers written off | - | 13.13 |
| Bad debts written off | 130.90 | 1.35 |
| Deposits written off | - | 22.75 |
| Provision for bad and doubtful debts | 594.68 | 250.96 |
| Provision for doubtful advances | 24.92 | - |
| Provision for warranty | 328.80 | 97.17 |
| Miscellaneous expenditure | 145.36 | 154.47 |
| | 24,383.71 | 17,235.35 |

* Payment to auditors (excluding goods and service tax)

Audit services :

| | | |
|--|--------------|--------------|
| Statutory audit (refer note (a) below) | 55.00 | 49.00 |
| Tax audit | - | 3.00 |
| Out of pocket expenses | - | - |
| | 55.00 | 52.00 |

(a) Payments to auditors for the year ended March 31, 2021 is pertaining to erstwhile auditors.

32(A) Exceptional Item

| | March 31, 2022 | March 31, 2021 |
|--|----------------|-----------------|
| Provision for loans to related parties [Refer Note 8(a)] | 418.08 | - |
| Impairment on Investments [Refer Note 7(i)] | - | 2,018.68 |
| | 418.08 | 2,018.68 |



Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2022

All amounts in Rs. Lakhs, unless otherwise stated

33. Earnings per share (EPS)

| | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Profit for the year | 357.96 | 3,828.27 |
| Weighted average number of equity shares outstanding (Basic and diluted) | 3,65,52,261 | 3,65,52,261 |
| Earnings per share (Basic and diluted) | 0.98 | 10.47 |

34. Segment reporting

The Company primarily is in the business of manufacture, purchase and sale of mattress, foam and related products. The Company does not distinguish revenues and expenses between different businesses in its internal reporting and reports costs and expenses by nature as a whole. The CODM reviews the results when making decision about allocating resources and assessing performance of the Company as a whole and hence, the Company has only one reportable segment. The Company operates and manages its business as a single segment. As the Company's assets are all located in India and the Company's revenues are derived from India, no geographical information is presented.

35. Related party disclosure**Names of related parties and related party relationships**Names of related parties where control exists irrespective of whether transactions have occurred or not

| | |
|-----------------|----------------|
| Holding Company | Kurlon Limited |
|-----------------|----------------|

Other related parties with whom transactions have taken place during the year

| | |
|--|--|
| Wholly Owned Subsidiaries | Kurlon Retail Limited Komfort Universe Products & Services Limited Belvedere International Limited Kanvas Concepts Private Limited Starship Value Chain and Manufacturing Private Limited (Formerly Starship Manufacturing & Services Private Limited) Starship Global VCT LLP Home Komfort Retail LLP |
| Subsidiary Entities | Sevalal Solar Private Limited Sirar Solar Energies Private Limited Sirar Dhotre Solar Private Limited |
| Fellow subsidiaries | Manipal Software & E-Commerce Private Limited Manipal Natural Extracts Private Limited |
| Enterprises owned or significantly influenced by key management personnel /Directors and their relatives | Maha Rashtra Apex Corporation Limited Jayamahal Trade and Investments Private Limited Manipal Advertising Services Private Limited Metropolis Builders Private Limited Jai Bharath Mills Private Limited Manipal Travels Private Limited |
| Directors and Key Management Personnel (KMP) | Mr. T. Sudhakar Pai, Managing Director Ms. Jaya S Pai, Director Ms. Jyothi Pradhan, Chief Executive Officer Mr. H N Shrinivas, Non-Executive Director (w.e.f. May 07, 2021) Mr. Nagarajan S, Non-Executive Director (w.e.f. May 07, 2021) Mr. Nitin G Khot Non-Executive Director (up to May 07, 2021) Mr. S Ananthanarayanan Non-Executive Director (up to May 07, 2021) Mr. Abhilash Kamti, Chief Financial Officer (w.e.f. June 01, 2022) Mr. Ritesh Shroff, Chief Financial Officer (up to December 07, 2021) Mr. Monu Kumar, Company Secretary |

The transactions that have been entered into with related parties during the year are as follows:

Sale of products

| | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Komfort Universe Products & Services Limited | 4,990.85 | - |
| Kurlon Retail Limited | 945.39 | 901.67 |
| Home Komfort Retail LLP | 988.94 | 741.01 |
| Manipal Advertising Services Private Limited | 0.30 | - |
| Kanvas Concepts Private Limited | - | 1.10 |
| | 6,925.48 | 1,643.78 |



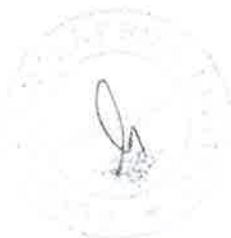
Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2022

All amounts in Rs. Lakhs, unless otherwise stated

35. Related party disclosure (contd.)

| | March 31, 2022 | March 31, 2021 |
|--|-----------------|-----------------|
| <u>Scheme expenses</u> | | |
| Kurlon Retail Limited | 226.28 | 734.50 |
| Komfort Universe Products & Services Limited | 1,236.92 | - |
| Home Komfort Retail LLP | 0.05 | - |
| | 1,463.25 | 734.50 |
| <u>Interest income on loan given</u> | | |
| Sevalal Solar Private Limited | 6.82 | - |
| Srirar Dhotre Solar Private Limited | 6.37 | - |
| Srirar Solar Energies Private Limited | 3.63 | - |
| | 16.82 | - |
| <u>Rental income</u> | | |
| Starship Global VCT LLP | 4.31 | 2.50 |
| | 4.31 | 2.50 |
| <u>Purchases</u> | | |
| Kurlon Limited | 8,749.41 | 7,437.94 |
| Komfort Universe Products & Services Limited | 8.81 | - |
| | 8,758.22 | 7,437.94 |
| <u>Managerial remuneration</u> | | |
| T Sudhakar Pai | 75.92 | 261.71 |
| Jyothi Pradhan | 79.07 | 44.67 |
| Ritesh Shroff | 41.83 | 48.05 |
| Monu Kumar | 12.77 | 10.33 |
| | 209.59 | 364.76 |
| <u>Interest paid on unsecured loan</u> | | |
| Jaya S Pai | 52.88 | 55.80 |
| | 52.88 | 55.80 |
| <u>Freight outward</u> | | |
| Starship Global VCT LLP | 4,436.18 | 197.38 |
| Starship Value Chain and Manufacturing Private Limited | 1,290.94 | - |
| | 5,727.12 | 197.38 |
| <u>Warehouse charges</u> | | |
| Starship Global VCT LLP | 799.94 | 86.93 |
| Starship Value Chain and Manufacturing Private Limited | 174.53 | - |
| | 974.47 | 86.93 |
| <u>Legal and consultancy charges</u> | | |
| Starship Global VCT LLP | 2,282.90 | 1,549.77 |
| Starship Value Chain and Manufacturing Private Limited | 560.59 | - |
| Home Komfort Retail LLP | - | 3.50 |
| Kanvas Concepts Private Limited | 33.34 | - |
| Manipal Software & E-Commerce Private Limited | 344.38 | 156.55 |
| | 3,221.21 | 1,709.83 |
| <u>Advertisement and sales promotion expenses</u> | | |
| Manipal Advertising Services Private Limited | 1,301.93 | 1,187.33 |
| Kurlon Retail Limited | 47.75 | 83.39 |
| Kanvas Concepts Private Limited | 18.75 | - |
| Komfort Universe Products & Services Limited | 10.00 | - |
| | 1,378.43 | 1,270.72 |
| <u>Travelling and conveyance expenses</u> | | |
| Manipal Travels (India) Private Limited | 134.31 | 38.80 |
| | 134.31 | 38.80 |
| <u>Sitting fees</u> | | |
| Nitin G Khot | 0.13 | 0.65 |
| S Ananthanarayanan | 0.13 | 0.91 |
| Jaya S Pai | 0.64 | 1.02 |
| S Nagarajan | 0.39 | - |
| H N Shrinivas | 0.39 | - |
| | 1.68 | 2.58 |



Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2022
All amounts in Rs. Lakhs, unless otherwise stated

35. Related party disclosure (contd.)

| | March 31, 2022 | March 31, 2021 |
|--|-----------------|-----------------|
| <u>Dividend paid</u> | | |
| Kurlon Limited | 1,546.24 | 1,084.99 |
| | 1,546.24 | 1,084.99 |
| <u>Recovery of expenses from related parties</u> | | |
| Kurlon Retail Limited | 99.09 | 111.96 |
| Home Komfort Retail LLP | 180.74 | - |
| Komfort Universe Products & Services Limited | 13.23 | - |
| Kanvas Concepts Private Limited | 18.75 | - |
| | 311.81 | 111.96 |
| The balances receivable from and payable to related parties as at year end are as follows : | | |
| | March 31, 2022 | March 31, 2021 |
| <u>Investment in subsidiaries</u> | | |
| Kurlon Retail Limited | 1,759.93 | 1,759.93 |
| Sevalal Solar Private Limited | 4.69 | 4.69 |
| Sirar Dhotre Solar Private Limited | 4.69 | 4.69 |
| Sirar Solar Energies Private Limited | 4.69 | 4.69 |
| Komfort Universe Products & Services Limited | 5.00 | 5.00 |
| Belvedere International Limited | 5.00 | 5.00 |
| Kanvas Concepts Private Limited | 0.50 | 0.50 |
| Starship Manufacturing and Services Private Limited | 1.00 | 1.00 |
| | 1,785.50 | 1,785.50 |
| <u>Capital advances (refer note 11)</u> | | |
| Maha Rashtra Apex Corporation Limited | 1,222.76 | 1,222.76 |
| Kurlon Limited | 622.00 | 622.00 |
| | 1,844.76 | 1,844.76 |
| <u>Security deposit</u> | | |
| Jayamahal Trade and Investments Private Limited | 4.17 | 9.00 |
| Metropolis Builders Private Limited | 22.05 | 20.41 |
| Jai Bharath Mills Private Limited | 27.78 | 28.31 |
| | 54.00 | 57.72 |
| <u>Trade receivables</u> | | |
| Komfort Universe Products & Services Limited | 218.14 | - |
| Home Komfort Retail LLP | - | 76.53 |
| | 218.14 | 76.53 |
| <u>Loan to related parties</u> | | |
| Kurlon Retail Limited | 2,601.34 | 2,016.28 |
| Kanvas Concepts Private Limited | 162.76 | 85.00 |
| Komfort Universe Products & Services Limited | 81.40 | - |
| Sirar Solar Energies Private Limited | 74.59 | 81.50 |
| Sirar Dhotre Solar Private Limited | 68.81 | 76.07 |
| Sevalal Solar Private Limited | 30.53 | 43.73 |
| Belvedere International Limited | 13.01 | - |
| | 3,032.44 | 2,302.58 |
| <u>Loss allowance on loans given to related parties</u> | | |
| Kanvas Concepts Private Limited | 162.76 | - |
| Komfort Universe Products & Services Limited | 81.40 | - |
| Sirar Solar Energies Private Limited | 74.59 | - |
| Sirar Dhotre Solar Private Limited | 68.81 | - |
| Sevalal Solar Private Limited | 30.53 | - |
| | 418.08 | - |
| <u>Interest income receivable</u> | | |
| Sevalal Solar Private Limited | 6.82 | - |
| Sirar Dhotre Solar Private Limited | 6.37 | - |
| Sirar Solar Energies Private Limited | 3.63 | - |
| | 16.82 | - |
| <u>Advance against supply of goods and services to related parties</u> | | |
| Kurlon Limited | 4,295.19 | 5,150.84 |
| Starship Global VCT LLP | 280.37 | 280.37 |
| Manipal Advertising Services Private Limited | 140.00 | - |
| | 4,715.56 | 5,431.21 |
| <u>Unsecured loans payable</u> | | |
| Jaya S Pai | 676.30 | 676.30 |
| | 676.30 | 676.30 |



Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2022
All amounts in Rs. Lakhs, unless otherwise stated

35. Related party disclosure (contd.)

| | March 31, 2022 | March 31, 2021 |
|--|-----------------|----------------|
| Trade payables | | |
| Jai Bharath Mills Private Limited | 0.45 | 15.85 |
| Starship Global VCT LLP | - | 109.82 |
| Starship Value Chain and Manufacturing Private Limited | 1,131.93 | - |
| Manipal Travels (India) Private Limited | 10.73 | 6.09 |
| Manipal Advertising Services Private Limited | - | 45.03 |
| Manipal Software & E-Commerce Pvt Ltd | 45.38 | 25.36 |
| | 1,188.49 | 202.15 |
| Advance from customers | | |
| Home Komfort Retail LLP | 22.19 | - |
| | 22.19 | - |
| Lease liabilities | | |
| Metropolis Builders Private Limited | 108.55 | 127.29 |
| Kurlon Limited | 96.24 | 106.11 |
| Jai Bharath Mills Private Limited | 5.75 | 4.35 |
| Jayamahar Trade and Investments Private Limited | 163.90 | - |
| | 374.44 | 237.75 |

36. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

| | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | |
| Principal amount due to micro and small enterprises | 323.91 | 306.00 |
| Interest due on above | 31.54 | 8.96 |
| | 355.45 | 314.96 |
| The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006. | 21.32 | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | 31.54 | 8.96 |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006 | 31.54 | - |

The information given above is to the extent such parties have been identified by the Company on the basis of information disclosed by the suppliers.

37. Leases

Short-term leases and lease of low-value assets

The Company also has certain leases with lease terms of 12 months or less and leases of properties with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Rental expenses of Rs. 58.96 lakhs (March 31, 2021: Rs. 599.81 lakhs) have been recognised in the statement of profit and loss.



Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2022
All amounts in Rs. Lakhs, unless otherwise stated

38. Contingent liabilities and capital commitments

(a) Contingent liabilities

| | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Claims against the Company not acknowledged as debts | | |
| Disputed demands under appeal not provided | | |
| - Income tax | 1,072.45 | - |
| - Sales tax | 4,394.26 | 4,434.94 |
| - Excise duty | 2,212.13 | 2,212.13 |

The Company is contesting these demands and the management, based on the advise from its tax consultants, believes that its position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for these demands raised as of March 31, 2022. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(b) Capital commitments

| | March 31, 2022 | March 31, 2021 |
|---------------------------------------|----------------|----------------|
| Capital commitments (net of advances) | 35.21 | 225.42 |

39. Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The primary function of the Committee is to assist the Board of Directors in formulating a CSR Policy and review the implementation and progress of the same from time to time. The CSR policies focus on enhancing the quality of life and economic well being of the communities in accordance with the Schedule VII of the Companies Act, 2013.

| | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Gross amount required to be spent by the Company during the year | 217.01 | 237.82 |

Amount spent during the year ended March 31, 2022

| | In cash | Yet to be paid in cash | Total |
|------------------------------------|---------|------------------------|--------|
| Construction/acquisition of assets | - | - | - |
| On purpose other than above | 202.99 | - | 202.99 |

Amount spent during the year ended March 31, 2021

| | In cash | Yet to be paid in cash | Total |
|------------------------------------|---------|------------------------|--------|
| Construction/acquisition of assets | - | - | - |
| On purpose other than above | 259.82 | - | 259.82 |

In case of Section 135(5) (Other than ongoing projects)

| | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Opening balance | 22.00 | - |
| Amount required to be spent during the year | 217.01 | 237.82 |
| Amount spent during the year | 202.99 | 259.82 |
| Closing balance * | 7.98 | 22.00 |

* Represents excess amount spent on the corporate social responsibility which will be utilised in subsequent period.

The Company does not have any ongoing project as per section 135(6) of the Companies Act, 2013.

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Kurlon Enterprise Limited**Notes to the standalone financial statements for the year ended March 31, 2022****All amounts in Rs. Lakhs, unless otherwise stated****40. Employee benefits****Defined contribution plans**

The Company makes contributions for qualifying employees to Provident Fund, Employee state insurance and labour welfare fund. During the year, the Company recognised Rs. 230.18 lakhs (March 31, 2021 : Rs 256.80 lakhs) towards Provident fund contributions, Rs 14.66 lakhs (March 31, 2021 : Rs 19.81 lakhs) towards Employee State Insurance scheme contributions and Rs. 0.13 (March 31, 2021 : Rs 0.19 lakhs) lakhs towards Labour Welfare fund.

Post-employment obligation - Gratuity

The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972 ('Gratuity Act') under which an employee who has completed five years of service is entitled to specific benefit. The amount of benefit provided depends on the employee's length of service and salary at retirement/termination date. The plan is funded by the company.

The following tables summarises the amounts recognised in the standalone financial statements:

Balance Sheet

| | March 31, 2022 | March 31, 2021 |
|----------------------------|----------------|----------------|
| Defined benefit obligation | 673.94 | 523.48 |
| Plan assets | 460.78 | 506.26 |
| Net liability | 213.16 | 17.22 |
| Current | 86.69 | 17.22 |
| Non-current | 126.47 | - |

Changes in the present value of defined benefit obligation

| | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Balance at the beginning of the year | 523.48 | 577.39 |
| Service cost | 57.36 | 50.26 |
| Interest cost | 30.09 | 31.15 |
| Remeasurements - Actuarial loss/(gain) | 187.02 | 50.21 |
| Benefit paid | (124.01) | (185.53) |
| Balance at end of the year | 673.94 | 523.48 |

Changes in the fair value of plan assets

| | March 31, 2022 | March 31, 2021 |
|--------------------------------------|----------------|----------------|
| Balance at the beginning of the year | 506.26 | 662.61 |
| Contributions made | 11.85 | - |
| Interest Income | 29.35 | 37.60 |
| Payments | (124.01) | (171.71) |
| Return on plan assets | 37.33 | (22.24) |
| Balance at end of the year | 460.78 | 506.26 |

Statement of profit and loss

| | March 31, 2022 | March 31, 2021 |
|-----------------------------|----------------|----------------|
| Service cost | 57.36 | 50.26 |
| Interest cost net of income | 0.74 | (6.45) |
| Total | 58.10 | 43.81 |

Other comprehensive (income)/loss

| | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Remeasurements - Actuarial loss/(gain) | 187.02 | 50.21 |
| Return on plan assets | (37.33) | 22.24 |
| Total | 149.69 | 72.45 |

Principal assumptions used in determining defined benefit obligation

| | March 31, 2022 | March 31, 2021 |
|--------------------------------|----------------|----------------|
| Discount rate | 7.13% | 6.52% |
| Expected return on plan assets | 6.52% | 6.52% |
| Salary escalation | 5.00% | 5.00% |
| Employee turnover | 10.00% | 10.00% |

The categories of plan assets as a percentage of the fair value of total plan assets are as follows:

| | March 31, 2022 | March 31, 2021 |
|-------------------------------------|----------------|----------------|
| Investment with insurance companies | 100.00% | 100.00% |

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.



Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2022
All amounts in Rs. Lakhs, unless otherwise stated

40. Employee benefits- (Continued)

Sensitivity analysis of significant assumptions

The following table presents a sensitivity analysis to one of the relevant actuarial assumptions, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

| | March 31, 2022 | March 31, 2021 |
|--------------------------|----------------|----------------|
| Discount rate | | |
| 1% increase | (43.67) | (36.62) |
| 1% decrease | 49.56 | 41.88 |
| Salary escalation | | |
| 1% Increase | 46.90 | 38.47 |
| 1% decrease | (42.27) | (34.09) |
| Employee turnover | | |
| 1% increase | 4.51 | 2.50 |
| 1% decrease | (5.05) | (2.82) |

Maturity profile of defined benefit obligation

| | March 31, 2022 | March 31, 2021 |
|------------------|----------------|----------------|
| Within 1 year | 50.67 | 52.66 |
| 1-2 year | 63.75 | 32.61 |
| 2-3 year | 57.15 | 38.60 |
| 3-4 year | 65.81 | 40.68 |
| 4-5 year | 54.16 | 39.91 |
| 5-10 year | 192.20 | 145.05 |
| 10 years onwards | 190.19 | 173.96 |

The average duration of the defined benefit obligation at the end of the reporting year is 9.73 years (March 31, 2021 : 9.68 years).

(This space has intentionally been left blank)



Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2022
All amounts in Rs. Lakhs, unless otherwise stated

41. Financial instruments

All financial assets and liabilities for which fair value is measured or disclosed in these standalone financial statements are categorised within the fair value hierarchy as below, based on the lowest level input that is significant to the fair value measurement as a whole :

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The carrying values and fair value measurement hierarchy of the Company's financial assets and financial liabilities are as below :

| | March 31, 2022 | | March 31, 2021 | |
|--|------------------|------------------|------------------|------------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| Financial assets measured at fair value through profit and loss | | | | |
| Current assets | | | | |
| Investments | 10,710.91 | 10,710.91 | 11,131.71 | 11,131.71 |
| | 10,710.91 | 10,710.91 | 11,131.71 | 11,131.71 |
| Financial assets measured at amortised cost | | | | |
| Non-current assets | | | | |
| Investments | 1,785.57 | 1,785.57 | 1,785.57 | 1,785.57 |
| Loans | 2,614.36 | 2,614.36 | 2,376.68 | 2,376.68 |
| Other financial assets | 665.71 | 665.71 | 938.87 | 938.87 |
| Current assets | | | | |
| Trade receivables | 5,446.95 | 5,446.95 | 5,473.43 | 5,473.43 |
| Cash and cash equivalents | 147.50 | 147.50 | 39.83 | 39.83 |
| Other bank balances | 4,247.50 | 4,247.50 | 3,710.66 | 3,710.66 |
| Loans | 56.74 | 56.74 | - | - |
| Other financial assets | 158.79 | 158.79 | 343.89 | 343.89 |
| | 15,123.12 | 15,123.12 | 14,668.93 | 14,668.93 |
| Financial liabilities measured at amortised cost | | | | |
| Non-current liabilities | | | | |
| Lease liabilities | 547.88 | 547.88 | 271.73 | 271.73 |
| Other financial liabilities | 5,361.77 | 5,361.77 | 5,478.51 | 5,478.51 |
| Current liabilities | | | | |
| Borrowings | 687.56 | 687.56 | 1,187.24 | 1,187.24 |
| Lease liabilities | 454.78 | 454.78 | 174.39 | 174.39 |
| Trade payables | 11,670.22 | 11,670.22 | 8,533.59 | 8,533.59 |
| Other financial liabilities | 1,085.21 | 1,085.21 | 667.44 | 667.44 |
| | 19,807.42 | 19,807.42 | 16,312.90 | 16,312.90 |

42. Financial risk management objectives and policies

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse and set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company's Board of Directors is assisted in its oversight role by the internal audit who undertakes regular reviews of risk management controls and procedures, the results of which are reported to the Board of Directors. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(a) Market risk

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates which will affect the Company's income or the value of its financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency payables.



Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2022
All amounts in Rs. Lakhs, unless otherwise stated

42. Financial risk management objectives and policies (contd.)

i. Currency risk

The Company's exposure to currency risk as at year end is as below :

| | March 31, 2022 | | | March 31, 2021 | | |
|-------------------------|----------------|------------------|-----------|----------------|------------------|-----------|
| | Currency | Foreign currency | Rs. Lakhs | Currency | Foreign currency | Rs. Lakhs |
| Trade payables | USD | 3,60,732 | 272.58 | USD | 3,49,156 | 258.64 |
| | EUR | 40,529 | 34.89 | EUR | 29,997 | 24.84 |
| Advances from customers | USD | 2,242 | 1.70 | USD | 30,359 | 21.82 |
| Advance to suppliers | USD | 53,257 | 40.81 | USD | 22,209 | 16.13 |
| | EUR | 6,223 | 5.42 | EUR | 39,810 | 32.49 |
| Trade receivables | USD | 24,859 | 18.70 | USD | 57,224 | 40.06 |

Basis point

+5%
-5%

| | March 31, 2022 | March 31, 2021 |
|------------------------------------|----------------|----------------|
| Effect on profit before tax | | |
| | (12.21) | (10.83) |
| | 12.21 | 10.83 |

ii. Interest rate risk

Interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The Company's borrowings are at fixed and floating interest rate and are carried at amortised cost.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's loss before tax is affected through the impact on floating rate borrowings, as follows :

Basis point

+1%
-1%

| | March 31, 2022 | March 31, 2021 |
|------------------------------------|----------------|----------------|
| Effect on profit before tax | | |
| | - | (4.99) |
| | - | 4.99 |

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables, loans and other assets.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating review and individual credit limits are defined in accordance with this assessment. The Company regularly monitors its outstanding customer receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The loans to subsidiaries are unsecured loans. The management makes an assessment, of the credit risk on the loans based on the evaluation of the subsidiary's ability to repay the loans, as at date of reporting. The Company uses expected credit loss model to assess the impairment loss. Based on an evaluation of the credit risk of the subsidiaries, loss allowance on the loans and on interest accrued thereon have been recognised.

Cash and cash equivalents, investments and other bank balances are neither past due nor impaired. Cash and cash equivalents include short-term highly liquid fixed deposits with banks which having maturity less than three months.

The movement in respect of allowance for expected credit losses is as follows :

| | Trade receivables | | Loans & other financial assets | | Other assets | |
|--|-------------------|-----------------|--------------------------------|----------------|----------------|----------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| At the beginning of the year | 1,045.17 | 997.08 | - | - | - | - |
| Allowance created/(reversed) during the year | 547.72 | 48.09 | 434.90 | - | 24.92 | - |
| At the end of the year | 1,592.89 | 1,045.17 | 434.90 | - | 24.92 | - |

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.



Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2022
All amounts in Rs. Lakhs, unless otherwise stated

42. Financial risk management objectives and policies (contd.)

The table below provides details regarding the undiscounted contractual maturities of financial liabilities :

| | Less than 1 year | 1 to 5 years | More than 5 years | Total |
|-----------------------------|---------------------|-----------------|----------------------|------------------|
| March 31, 2022 | | | | |
| Borrowings | 687.56 | - | - | 687.56 |
| Lease liabilities | 474.40 | 554.08 | 162.18 | 1,190.66 |
| Trade payables | 11,670.22 | - | - | 11,670.22 |
| Other financial liabilities | 1,085.21 | 5,361.77 | - | 6,446.98 |
| Total | 13,917.39 | 5,915.85 | 162.18 | 19,995.42 |
| March 31, 2021 | | | | |
| Borrowings | 1,187.24 | - | - | 1,187.24 |
| Lease liabilities | 201.65 | 271.62 | 54.00 | 527.27 |
| Trade payables | 8,533.59 | - | - | 8,533.59 |
| Other financial liabilities | 667.44 | 5,478.51 | - | 6,145.95 |
| Total | 10,589.92 | 5,750.13 | 54.00 | 16,394.05 |

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no significant liquidity risk is

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Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2022

All amounts in Rs. Lakhs, unless otherwise stated

43. Income tax

Income tax expense in the statement of profit and loss consists of:

| Statement of profit or loss | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Current tax | 475.96 | 1,658.47 |
| Deferred tax charge/(credit) | (685.08) | 774.28 |
| Income tax expense/(credit) | (209.12) | 2,432.75 |
| Tax relating to earlier years | (130.20) | - |
| Income tax expense/(credit) reported in the statement of profit and loss | (339.32) | 2,432.75 |
| Income tax recognised in other comprehensive income/(loss) | | |
| - Tax arising on income and expense recognised in other comprehensive income/(loss) | 37.68 | 18.24 |
| Total | 37.68 | 18.24 |

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian income tax rate to profit before taxes is as follows:

| | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Profit before tax | 18.64 | 6,261.02 |
| Enacted income tax rate in India | 25.17% | 25.17% |
| Computed expected tax expense/(credit) | 4.69 | 1,575.90 |
| Effect of: | | |
| (Reversal)/Creation of deferred tax liability on goodwill | (297.74) | 529.37 |
| Reversal of deferred tax asset on warranty provision provided in earlier year | - | 227.75 |
| Reversal of provision for current tax relating to earlier year | (130.20) | - |
| Tax charge on disallowance of corporate social responsibility expenditure | 51.09 | 65.39 |
| Others | 32.84 | 34.34 |
| Total income tax expense | (339.32) | 2,432.75 |

Deferred tax

Deferred tax relates to the following:

| | Balance Sheet | | Statement of Profit and Loss | |
|--|----------------|----------------|------------------------------|----------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| Property, plant and equipment | (1,718.31) | (1,774.95) | (56.64) | (328.96) |
| Right of use assets | (516.30) | (384.90) | 131.40 | 57.03 |
| Goodwill | (231.58) | (529.37) | (297.79) | 529.37 |
| Marked to market on mutual fund investment | (143.47) | (90.55) | 52.92 | 90.55 |
| Gross deferred tax liability | (2,609.66) | (2,779.77) | (170.11) | 347.99 |
| Deferred tax asset | | | | |
| Provision for doubtful debts | 412.72 | 263.07 | (149.65) | (12.10) |
| Provision for doubtful advances | 6.27 | - | (6.27) | 206.10 |
| Provision for loans to related parties | 105.22 | - | (105.22) | - |
| Section 43B disallowance | 69.65 | - | (69.65) | 21.65 |
| Section 35DD disallowance on amalgamation expenses | 12.62 | 20.79 | 8.17 | 0.20 |
| Lease liabilities | 252.35 | 112.29 | (140.06) | 210.44 |
| Provision for gratuity | 52.29 | - | (52.29) | - |
| Net deferred tax assets (net) | (1,698.54) | (2,383.62) | (685.08) | 774.28 |
| Net deferred tax credit/(charge) | | | (685.08) | 774.28 |

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Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2022
All amounts in Rs. Lakhs, unless otherwise stated

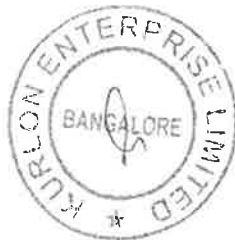
44. Ratio analysis and its elements

| Ratio | Numerator | Denominator | March 31, 2022 | March 31, 2021 | % change | Reason for variance exceeding 25% as compared to the preceding period |
|---------------------------------|---|---|----------------|----------------|----------|--|
| Current ratio | Current assets | Current liabilities | 2.54 | 3.33 | -24% | |
| Debt equity ratio | Total debt | Shareholder's equity | 0.01 | 0.02 | -40% | Due to decrease in borrowings in current year leading to the improvement of the ratio. |
| Debt service coverage ratio | Earnings for debt service = Net profits after taxes + Non cash operating expenses | Debt service = Interest and lease payments + Principal repayments | 3.35 | 3.95 | -15% | |
| Return on equity ratio | Net profits after taxes - Preference dividend | Average shareholder's equity | 0.01 | 0.08 | -91% | Due to reduction in profit during the year. |
| Inventory turnover ratio | Cost of goods sold | Average inventory | 4.01 | 3.62 | 11% | |
| Trade receivable turnover ratio | Net credit sales = Gross credit sales - sales return | Average trade receivable | 14.14 | 12.15 | 16% | |
| Trade payable turnover ratio | Net credit purchases = Gross credit purchases - purchase return | Average trade payables | 6.95 | 5.54 | 25% | |
| Net capital turnover ratio | Net sales = Total sales - sales return | Working capital = Current assets - Current liabilities | 3.32 | 2.78 | 19% | |
| Net profit ratio | Net profit | Net sales = Total sales - Sales return | 0.00 | 0.05 | -91% | Due to reduction in profit during the year. |
| Return on capital employed | Earnings before interest and taxes | Capital employed = Tangible net worth + Total debt + Deferred tax liability | 0.01 | 0.12 | -95% | Due to reduction in profit during the year. |
| Return on investment | Interest (Finance income) + profit on sale of investment | Investment | 0.04 | 0.01 | 188% | Due to sale of investments in current year leading to the improvement of the ratio. |

45. Other statutory information

- (i) The Company do not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with the Registrar of Companies ("ROC") beyond the statutory period.
- (iv) The Company have not traded or invested in crypto currency or virtual currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company have not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

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Kurlon Enterprise Limited
Notes to the consolidated financial statements for the year ended March 31, 2022
All amounts in Rs. Lakhs, unless otherwise stated

48. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves. The primary objective of the Group's capital management is to maximize the shareholders value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or may issue new shares. The Group includes within net debt, borrowings net of cash and cash equivalents and other bank balances.

| | March 31, 2022 | March 31, 2021 |
|---|-------------------|-------------------|
| Borrowings | 756.45 | 1,241.83 |
| Less: Cash and cash equivalents and other bank balances | 4,763.69 | 4,292.49 |
| Net debt (A) | (4,007.24) | (3,050.66) |
| Equity | 46,138.40 | 48,631.72 |
| Total equity capital (B) | 46,138.40 | 48,631.72 |
| Total debt and equity (C)=(A)+(B) | 42,131.15 | 45,581.06 |
| Gearing ratio (A)/(C) | -10% | -7% |

The gearing ratio is negative since the Group is predominantly equity funded.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2021.

49. The Code on Social Security, 2020 (the "Code") relating to employee benefits during employment and post-employment benefits, received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact accordingly.

50. The comparative figures have been regrouped/reclassified, where necessary, to confine to this period's classification as per the amendments in Schedule III to the Companies Act, 2013, which are effective April 1, 2021.

As per our report of even date

For S.R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm Registration Number: 101049W/E300004

Rajeev Kumar
 per Rajeev Kumar
 Partner
 Membership No.: 213803



For and on behalf of Board of Directors of
Kurlon Enterprise Limited
 CIN: U36101MH2011PLC222657

Tonse Sudhakar Pai
 Tonse Sudhakar Pai
 Managing Director
 DIN : 00043298

Jyothi Ashish Pradhan
 Jyothi Ashish Pradhan
 Chief Executive Officer

H N Shrinivas *Mona Kumar*
 H N Shrinivas Mona Kumar
 Director Company Secretary
 DIN : 07178853

Abhilash Padmanabh Kamti
 Abhilash Padmanabh Kamti
 Chief Financial Officer

Place: Bengaluru
 Date: November 28, 2022

Place: Bengaluru
 Date: November 28, 2022



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S P SRIVASTAVA & Associates

Chartered Accountants
N-306, Manipal Center,
47, Dickenson Road,
Bangalore - 560042
Karnataka, INDIA

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Opinion

We have audited the accompanying interim financial statements of **Komfort Universe Products and Services Limited** ("the Company"), which comprise the Interim Balance Sheet as at 20th October 2023, and the interim statement of profit and loss (including other comprehensive income) for the period then ended, the interim statement of changes in equity and the interim statement of cash flows for the period then ended, and notes to the interim financial statements, including a summary of significant accounting policies and other explanatory information as required by Indian Accounting Standard 34 – Interim Financial Reporting ("Ind AS 34") and other accounting principles generally accepted in India prepared for the purpose of its consideration in the consolidated financial results of Kurlon Enterprise Limited ("the Holding Company").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim financial statements give a true and fair view in conformity with Ind AS 34 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 20th October 2023, and its profit and other comprehensive income for the period then ended, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit of the interim financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Interim Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the interim financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the interim financial statements.

Responsibilities of Management for the Interim Financial Statements

The Company's management and the Board of Directors are responsible for preparation and presentation of these interim financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS 34 specified under Section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the interim financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the interim financial statements by the management and Board of Directors of the Company, as aforesaid.



In preparing the interim financial statements, the management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management/Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Interim Financial Statements

Our objectives are to obtain reasonable assurance about whether the interim 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these interim financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the interim 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes 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 in the interim financial statements made by the management and the Board of Directors of the Company.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in the preparation of interim financial statements 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 interim 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 interim financial statements, including the disclosures, and whether the interim financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the interim financial statements.



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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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

This report is intended for the limited purpose of use of the Board of Directors of the Company and for use by the Management of the Company, as a result, the Statement which has been prepared by the Management for the purpose of its inclusion in the consolidated financial results of its Holding Company, Kurlon Enterprise Limited, in accordance with format of presentation and disclosure requirement by the Holding Company and may not be suitable for another purpose and is not intended to be and should not be used, for any other purpose or by anyone other than the specified parties without our prior written consent.

For S P SRIVASTAVA & Associates
Chartered Accountants
Firm's Registration No. 025663S



S K Subramanian
Partner
Membership No. 205737
UDIN: 24205737BK BILG16626


Place: Bengaluru
Date: 03.01.2024

Komfort Universe Products and Services Limited
Interim Balance sheet as at 20th October 2023
 (All the amounts are in INR Lakhs, unless and otherwise stated)

| Particulars | Note No. | As at 20th October 2023 |
|--|----------|----------------------------|
| ASSETS | | |
| Current assets | | |
| (a) Financial Assets | | |
| (i) Trade Receivables | 3 | 36.22 |
| (ii) Cash and Cash equivalents | 4 | 7.62 |
| (b) Other Current Assets | 5 | 98.77 |
| Total Current Assets | | 142.61 |
| Total Assets | | 142.61 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| (a) Equity Share capital | 6 | 5.00 |
| (b) Other Equity | 7 | (750.47) |
| Total Equity | | (745.47) |
| LIABILITIES | | |
| Non Current Liabilities | | |
| (a) Provisions | 8 | 41.97 |
| Total Non Current Liabilities | | 41.97 |
| Current Liabilities | | |
| (a) Financial Liabilities | | |
| (i) Trade Payables | 9 | |
| (A) Total outstanding dues to Micro, small and Medium Enterprises | | 757.33 |
| (B) Total outstanding dues of creditors other than Micro, small and Medium Enterprises | 10 | 41.80 |
| (ii) Other Financial liabilities | 11 | 28.74 |
| (b) Other Current Liabilities | 8 | 18.24 |
| (c) Provisions | | |
| Total Current Liabilities | | 846.11 |
| Total Equity and Liabilities | | 142.61 |
| Summary of Significant Accounting Policies | 1-2 | |
| The accompanying notes form an integral part of the financial statements | 3-16 | |

As per our report of even date attached

For S P SRIVASTAVA & Associates
Chartered Accountants




S K Subramanian
Partner

Place: Bangalore

Date: 03-01-2024



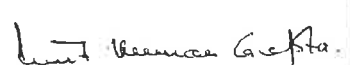
For and on behalf of Board of Directors of
Komfort Universe Products and Services Limited



Abhilash Padmanabh Kamti
Director

Place: Bangalore

Date: 03/01/2024



Amit Kumar Gupta
Director

Place: Bangalore

Date: 03/01/2024

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Komfort Universe Products and Services Limited
Interim Statement of Profit & Loss for the period ended 20th October 2023
 (All the amounts are in INR Lakhs, unless and otherwise stated)

| Particulars | Note No. | For the period ended 20th October 2023 |
|---|----------|---|
| Income | | |
| I Revenue from operations | 13 | 388.53 |
| III Total Income (I+II) | | 388.53 |
| Expenses | | |
| IV Purchases of stock in trade | 14 | 335.49 |
| Employee benefits expense | 15 | 189.91 |
| Other expenses | 16 | 228.59 |
| Total Expenses (IV) | | 753.99 |
| V Profit before Exceptional Items and tax (III-IV) | | (365.46) |
| VI Exceptional Items | | |
| VII Profit/(loss) before tax (V-VI) | | (365.46) |
| VIII Tax Expense | | |
| IX Profit for the Period (VII-VIII) | | (365.46) |
| Other comprehensive income | | |
| (i) Items that will not be reclassified to profit or loss | | |
| (a) Re-measurements of the defined benefit plans [gain/ (loss)] | | 1.46 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | |
| X Total other comprehensive income | | 1.46 |
| XI Total comprehensive income for the Period (IX+X) | | (364.00) |
| Earnings per equity share : | | |
| Equity shares of par value Rs 10 each | | |
| (1) Basic (Rs) | | (728.00) |
| (2) Diluted (Rs) | | (728.00) |
| Summary of Significant Accounting Policies | 1-2 | |
| The accompanying notes form an integral part of the financial statements | 3-16 | |

As per our report of even date attached

For S P SRIVASTAVA & Associates
Chartered Accountants

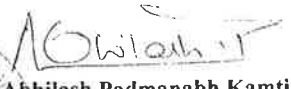


S K Subramanian
Partner

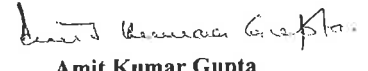
Place: Bangalore
Date: 03-01-2024



For and on behalf of Board of Directors of
Komfort Universe Products and Services Limited


Abhilash Padmanabh Kamti
Director

Place: Bangalore
Date: 03/01/2024



Amit Kumar Gupta
Director

Place: Bangalore
Date: 03/01/2024


Komfort Universe Products and Services Limited
Interim Cash Flow Statement for the period ended 20th October 2023
 (All the amounts are in INR Lakhs, unless and otherwise stated)

| Particulars | For the period ended 20th October 2023 |
|--|---|
| A. Cash flows from Operating Activities | |
| Profit for the Period | (365.46) |
| | (365.46) |
| Movements in working capital: | |
| (Increase)/Decrease in Trade Receivables | 28.80 |
| (Increase)/Decrease in Other Current Assets | (38.93) |
| Increase/(Decrease) in Other Current Liabilities | (16.79) |
| Increase/(Decrease) in Trade Payables | 385.22 |
| Increase/(Decrease) in Provisions | 5.64 |
| Increase/(Decrease) in Other Financial Liabilities | (6.59) |
| Increase/(Decrease) in Provisions in Non current Liabilities | 8.55 |
| | 365.90 |
| Cash Flows generated from Operating Activities | 0.44 |
| Net cash flow from operating activities (A) | 0.44 |
| B. Cash flows from Investing Activities | - |
| Net cash flow from / (used in) Investing Activities (B) | - |
| C. Cash flows from Financing Activities | - |
| Net cash flow from / (used in) financing activities (C) | - |
| Net increase / decrease in cash and cash equivalents (A+B+C) | 0.44 |
| Cash and cash equivalents at the beginning of the year | 7.18 |
| Cash and cash equivalents at the end of the period | 7.62 |

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For S P SRIVASTAVA & Associates
Chartered Accountants

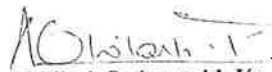
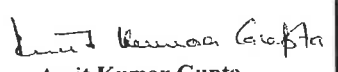

S K Subramanian
Partner



Place: Bangalore
Date: 03-01-2024



For and on behalf of the Board
Komfort Universe Products And Services Limited

 
Abhilash Padmanabh Kamti **Amit Kumar Gupta**
Director Director

Place: Bangalore
Date: 03/01/2024

Place: Bangalore
Date: 03/01/2024

1062

Komfort Universe Products and Services Limited
Interim Statement of Changes in Equity for the period ended 20th October 2023
 (All the amounts are in INR Lakhs, unless and otherwise stated)

(A) Equity Share Capital

| Particulars | As at 20th October 2023 |
|---|-------------------------|
| Equity share of Rs. 10/- each issued, subscribed and fully paid | |
| Balance at the beginning of the current reporting period | 5.00 |
| Changes in Equity Share Capital due to prior period errors | - |
| Restated balance at the beginning of the current reporting period | 5.00 |
| Changes in equity share capital during the current period | - |
| Balance at the end of the current year | 5.00 |

(B) Other Equity

| Particulars | Retained Earnings |
|---|-------------------|
| Balance as on 31st March 2023 | (386.47) |
| Total Comprehensive Income for the current period | (365.46) |
| Other comprehensive Income (net of tax) | 1.46 |
| Remeasurement of net defined benefit liability/asset (net of tax) * | |
| Balance as on 20th October 2023 | (750.47) |

The accompanying notes form an integral part of the financial statements

For S P SRIVASTAVA & Associates
 Chartered Accountants




S K Subramanian
 Partner

Place: Bangalore
 Date: 03-01-2024



For and on behalf of the Board
Komfort Universe Products And Services Limited



Abhilash Padmanabh Kamti
 Director

Place: Bangalore
 Date: 03/01/2024



Amit Kumar Gupta
 Director

Place: Bangalore
 Date: 03/01/2024

KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED**Notes to Interim Financial statement for the period ended 20th October 2023**

(All the amounts are in INR Lakhs, unless and otherwise stated)

Significant Accounting Policies**1 Corporate Information**

Komfort Universe Products And Services Limited was incorporated in Karnataka on 18.01.2021. The Company is a wholly owned subsidiary company of Kurlon Enterprise Limited and is engaged in the business of buying, selling, reselling, importing, exporting, transporting, storing, promoting, marketing, supplying, dealing and trading of Semi-finished Goods (SFG), foam products, RC Pads, EPE Products and other related Products and Services on B2B basis in India and outside India.

2 Significant Accounting Policies**2.1 Statement of compliance**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS" notified under the Companies (Indian Accounting Standards) Rules, 2015. The Company has prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies, Act, 2013 read together with paragraph 7 of Companies Rules, 2014 ("Indian GAAP").

2.2 Basis of Preparation and Presentation

These interim financial statements have been prepared in compliance with Ind AS 34, Interim Financial Reporting as issued by Institute of Chartered Accountants of India, ("ICAI") under the historical cost convention on accrual basis. Accordingly, these interim financial statements do not include all the information required for a complete set of financial statements. These interim financial statements should be read in conjunction with the financial statements and related notes included in the Company's financial statements under Ind AS for the year ended March 31, 2023. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The material accounting policy information used in preparation of the audited interim financial statements have been discussed in the respective notes.

The Company has accumulated losses of Rs. 750.47 lakhs as at 20th October, 2023 and its net worth as at that date is Rs. 745.47 lakhs (negative) and its current liabilities exceed current assets. Further Kurlon Enterprise Limited(Holding Company) would support in the operations of the Company whenever required as considering the synergies and business nature, it would provide the desired requirements to ensure smooth conduct of business by the Company. Accordingly, the financial statements have been prepared on a going concern basis.

2.3 Use of Estimates and Judgement

Financial liabilities are measured at amortized cost using effective interest method.

2.4 Revenue recognition**Sale of goods**

Revenue from the sale of goods is recognized when (i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, (ii) effective control over the goods sold, (iii) the amount of revenue can be measured reliably; (iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sales returns are recognized as and when ascertained and are reduced from the sales turnover of the year. Amounts disclosed as revenue are net of Sales Tax, Goods & Service Tax, trade allowances, rebates and value added items.

2.5 Inventory

Items of Inventories are valued at the lower of cost and the net realizable value. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Cost of inventories are determined on a weighted average basis.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Notes to Interim Financial statement for the period ended 20th October 2023

(All the amounts are in INR Lakhs, unless and otherwise stated)

2.6 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.7 Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A) Financial Assets**Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Financial Assets at Amortized Cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Derecognition of financial assets A financial asset is derecognised only when Company has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Financial Assets at Fair Value Through Profit and Loss (FVTPL)

Financial assets are measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognized in statement of profit and loss.

B) Financial Liabilities**Financial Liabilities at Amortized Cost**

Financial liabilities are measured at amortized cost using effective interest method.



Komfort Universe Products and Services Limited
Notes to Interim financial statements for the period ended 20th October 2023
 (All the amounts are in INR Lakhs, unless and otherwise stated)

3 Trade Receivables

| Particulars | As at 20th |
|--|--------------|
| Trade Receivables (Unsecured) | |
| (a) Considered good | 36.22 |
| (b) which have significant increase in Credit Risk | - |
| | 36.22 |
| Less: Allowance for Doubtful trade receivables | |
| TOTAL | 36.22 |

3.1 Trade receivables Ageing Schedule

As at 20th October 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|--------------|-----------|-----------|-------------|-------|
| | Less than 6 | 6 months - 1 | 1-2 years | 2-3 years | More than 3 | |
| Undisputed Trade Receivables – considered good | 36.22 | - | - | - | - | 36.22 |
| Undisputed Trade Receivables – which have significant increase | - | - | - | - | - | - |
| Undisputed Trade receivable – credit impaired | - | - | - | - | - | - |
| Disputed Trade receivables - considered good | - | - | - | - | - | - |
| Disputed Trade receivables – which have significant increase in | - | - | - | - | - | - |
| Disputed Trade receivables – credit impaired | - | - | - | - | - | - |
| | 36.22 | - | - | - | - | 36.22 |

4 Cash and Bank Balances

| Particulars | As at 20th |
|---------------------------|-------------|
| Cash and Cash Equivalents | |
| Balances with Banks | |
| In current accounts | 7.62 |
| TOTAL | 7.62 |

5 Other Current Assets

| Particulars | As at 20th |
|--|--------------|
| Current | |
| (a) Balances with government authorities | 12.55 |
| (b) Advance tax and TDS | 40.24 |
| (c) Others | 45.98 |
| TOTAL | 98.77 |



Komfort Universe Products and Services Limited
Notes to Interim financials statements for the period ended 20th October 2023
 (All the amounts are in INR Lakhs, unless and otherwise stated)

6 Equity Share Capital

| Particulars | As at 20th October 2023 | |
|--|-------------------------|---|
| | Amount | |
| Authorised: 50,000 Equity shares of ₹ 10/- each with voting rights | | 5 |
| Issued, Subscribed and fully Paid: 50,000 Equity shares of ₹ 10/- each with voting rights | | 5 |

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

| Particulars | As at 20th October 2023 | |
|--|-------------------------|---|
| | Amount | |
| Equity Shares | | |
| Fully paid shares allotted during the Period | | 5 |
| Outstanding at the end of the period | | 5 |

(ii) Terms/Rights attached to Equity Shares

- a. The company has only one class of equity shares having a par value of ₹ 10/- each per share. Each holder of equity shares is entitled to one vote per share.
 b. In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the company after distribution of all

(iii) Details of Shares held by the Holding Company

| Particulars | As at 20th October 2023 | |
|--|-------------------------|-----------------------------------|
| | No. of shares held | % holding in that class of shares |
| Kurlon Enterprise Limited Equity shares of ₹ 10/- each with voting rights | 50,000 | 100.00% |

(iv) Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of Shareholder | As at 20th October 2023 | |
|--|-------------------------|-------------------------|
| | No. of shares held | % holding in that class |
| Equity shares of ₹ 10/- each with voting rights Kurlon Enterprise Limited | 50,000 | 100.00% |

(v) Details of shares held by Promoters

| Class of shares / Name of Shareholder | As at 20th October 2023 | | |
|--|-------------------------|-------------------------|--------------------|
| | No. of shares held | % holding in that class | % of change during |
| Equity shares of ₹ 10/- each with voting rights Kurlon Enterprise Limited | 50,000 | 100.00% | No change |



Komfort Universe Products and Services Limited
Notes to Interim financial statements for the period ended 20th October 2023
 (All the amounts are in INR Lakhs, unless and otherwise stated)

7 Other equity

| Particulars | As at 20th October 2023 |
|--|-------------------------|
| Retained earnings | |
| Opening Balance | (386.47) |
| Profit/(Loss) attributable to owners of the Company | (365.46) |
| Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax) Dividend distributed during the year | 1.46 |
| Closing Balance | (750.47) |
| Total Reserves and Surplus | (750.47) |

8 Provisions

| Particulars | As at 20th October 2023 | |
|----------------------------------|-------------------------|-------------------|
| | Non - Current | Current Provision |
| Provision for employee benefits | | |
| - Provision for Gratuity | 23.19 | |
| - Provision for Leave Encashment | 18.78 | |
| Gratuity Payable | | 1.09 |
| Bonus Payable | | 2.41 |
| Leave Encashment Payable | | 2.74 |
| Others | | 12.00 |
| Total | 41.97 | 18.24 |

9 Trade Payables

| Particulars | As at 20th October 2023 |
|--|-------------------------|
| Total outstanding dues of creditors other than Micro, small and Medium Enterprises | 757.33 |
| Total | 757.33 |

Ageing of trade payables

| Particulars | Outstanding for following periods from the due date of payment | | | | Total |
|--------------------------------------|--|---------------|-------------|-------------------|---------------|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| October 20, 2023 | | | | | |
| Undisputed trade payables - MSME | | | - | - | - |
| Undisputed trade payables - Non MSME | 127.33 | 630.00 | - | - | 757.33 |
| Total | 127.33 | 630.00 | - | - | 757.33 |

10 Other Financial Liabilities

| Particulars | As at 20th October 2023 |
|--|-------------------------|
| Other Financial Liabilities Measured at Amortized Cost | |
| Current | |
| a. Deposit from Dealers | 41.80 |
| Total | 41.80 |

11 Other Current Liabilities

| Particulars | As at 20th October 2023 |
|---|-------------------------|
| a. Advances received from customers | 12.55 |
| - taxes payable (other than income taxes) | 1.17 |
| b. Salary Payable | 12.93 |
| c. Other Payables | 2.09 |
| Total | 28.74 |



Komfort Universe Products and Services Limited
Notes to Interim financial statements for the period ended 20th October 2023
 (All the amounts are in INR Lakhs, unless and otherwise stated)

13 Revenue from Operations

| Particulars | For the period ended 20th October 2023 |
|--------------------------------------|---|
| Sale of products | 407.70 |
| Less: Schemes & Rebates | -19.17 |
| Total Revenue from Operations | 388.53 |

14 Purchase of stock-in-trade

| Particulars | For the period ended 20th October 2023 |
|------------------------------|---|
| Purchase of Stock -in -Trade | 335.49 |
| Total | 335.49 |

15 Employee Benefits Expense

| Particulars | For the period ended 20th October 2023 |
|---|---|
| Salaries and wages | 184.67 |
| Contribution to provident and other funds | 5.24 |
| Total | 189.91 |

16 Other Expenses

| Particulars | For the period ended 20th October 2023 |
|-----------------------------|---|
| Advertisement Expenses | 60.71 |
| Business Promotion | 26.88 |
| Bank Charges | 0.01 |
| Administrative Charges | 63.10 |
| Legal and professional | 32.95 |
| Payment to Auditors* | 0.50 |
| Rates and taxes | 0.32 |
| Printing & Stationary | 0.90 |
| Travelling and conveyance | 39.43 |
| Insurance | 3.29 |
| Miscellaneous Expenses | 0.50 |
| Total Other Expenses | 228.59 |

| | |
|--|------|
| Payment to auditors* -For Statutory audit | 0.50 |
|--|------|



ASA & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

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 Sarakki Industrial Layout
 J P Nagar
Bengaluru 560 078 INDIA
 T +91 80 4907 9600

INDEPENDENT AUDITOR'S REPORT**To the Members of Komfort Universe Products and Services Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of Komfort Universe Products and Services Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, and the statement of Profit and Loss (including Other Comprehensive Income), and the Statement of Changes in Equity and the Statement of Cash flows for the period ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Sec 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended (Ind AS) and the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and the Loss and the total comprehensive income, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). 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 the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises of the director's report but does not include the financial statements and our auditor's report thereon.



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and 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, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Board of Directors are also 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 SAs 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.

As part of an audit in accordance with SAs, 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of changes in equity and Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2021.
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the company has not paid any remuneration to the directors
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;



- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. As per the Management Representation, we report:
- a. No funds have been advanced or loaned or invested by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. No funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
Based on the audit procedures performed, we report that nothing has come to our notice that has caused us to believe that the representations given under sub-clause (a) and (b) by the management contains any material misstatement.
- v. According to the information and explanation and our examination of such information, the Company has not declared and / or paid any dividend for the period ended 31st March, 2022.

For ASA & Associates LLP

Chartered Accountants

Firm Registration No: 009571N/N500006

UDIN: 22223085BCWGXJ8794



Vinay K S
Partner

Membership No. 223085

Place: Bengaluru

Date: 04th November, 2022



Annexure - A to the Independent Auditors' Report

As referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date

(i)

- a) A. The Company does not own any Property, Plant and Equipment during the period. Accordingly, reporting under clause 3(i)(a)(A) of the Order is not applicable.
- B. The Company does not own any intangible assets during the period. Accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable.
- b) The Company does not own any Property, Plant and Equipment during the period. Accordingly, reporting under clause 3(i)(b) of the Order is not applicable
- c) The Company does not have immovable properties. Accordingly, reporting under clause 3(i)(c) of the Order is not applicable.
- d) The Company does not own any Property, Plant and Equipment during the period. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable
- e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii)

- a) The inventory, except goods-in-transit and stock lying with third parties, has been physically verified by the management during the period. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. According to information and explanations given to us and on the basis of our examination of the records of the Company, no discrepancies were noticed on verification between the physical stocks and book records.
- b) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any time during the period. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or any other



parties. Accordingly, reporting under clause 3(iii)(a) to 3(iii)(f) of the Order are not applicable.

- (iv) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments nor has given loans or provided guarantee or security and therefore the relevant provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable to the Company. Accordingly, reporting under clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, reporting under clause 3(v) of the Order is not applicable.
- (vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it and/ or services provided by it. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii)
- a) According to the information provided and explanations given to us and based on our examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it except for Goods and Services Tax.
- There are no material outstanding statutory dues existing as on the last day of the financial period which is outstanding for more than six months from the day they become payable except for Goods and Services Tax amounting to Rs.12,48,885/- (Inclusive of interest of Rs.8,165/-).
- b) According to the information provided and explanations given to us, there are no statutory dues relating to Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information provided and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessment under the Income Tax Act, 1961 as income during the period.



(ix)

- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, Company has not obtained any loans and borrowings from banks or financial institutions or government or any government authority. Accordingly, reporting under clause 3(ix)(a) to (d) of the Order is not applicable
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under Companies Act, 2013. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable
- f) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under Companies Act, 2013. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable

(x)

- a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the period. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable
- b) According to the information provided and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the period. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable

(xi)

- a) According to the information and explanations given by the management and based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements, we report that no fraud by the Company or any fraud on the Company has been noticed or reported during the period.
- b) According to the information and explanations available with us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) Based on the information and explanation provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per Companies Act, 2013 or SEBI LODR Regulations.



- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions entered with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and details have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- (xiv)
- a) Based on the information and explanation provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Companies Act, 2013.
- b) The Company is not required to and does not have an internal audit system as per Section 138 of the Companies Act, 2013. Accordingly, reporting under clause 3(xiv)(b) of the Order is not applicable.
- (xv) According to the information and explanations given to us, in our opinion the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)
- a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities.
- c) The Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) and (d) of the Order are not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not incurred cash losses in the financial period



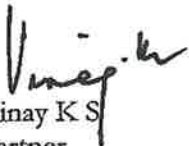
- (xviii) There has been resignation of the statutory auditors during the period, and as per the communication shared by the outgoing auditors, they have not raised any issues, objections or concerns
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanation given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order are not applicable.

For **ASA & Associates LLP**

Chartered Accountants

Firm Registration No: 009571N/N500006

UDIN: 22223085BCWGXJ8794



Vinay K S
Partner

Membership No. 223085

Place: Bengaluru

Date: 4th November, 2022



Annexure - B to the Independent Auditors' Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Komfort Universe Products and Services Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

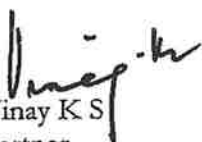
In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For ASA & Associates LLP

Chartered Accountants

Firm Registration No: 009571N/N500006

UDIN: 22223085BCWGXJ8794


Vinay K S

Partner

Membership No. 223085

Place: Bengaluru

Date: 4th November, 2022



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

GIN : U52520KA2021PLC143244

N-301, 3RD FLOOR, NORTH BLOCK, MANIPAL CENTRE, BANGALORE-560042

Notes forming part of the Financial Statements**Accounting Policies****1 Corporate Information**

Komfort Universe Products And Services Limited was incorporated in Karnataka on 18.01.2021. The Company is a wholly owned subsidiary company of Kurlon Enterprise Limited and is engaged in the business of buying, selling, reselling, importing, exporting, transporting, storing, promoting, marketing, supplying, dealing and trading of Semi-finished Goods (SFG), foam products, RC Pads, EPE Products and other related Products and Services on B2B basis in India and outside India.

2 Significant Accounting Policies**2.1 Statement of compliance**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS" notified under the Companies (Indian Accounting Standards) Rules, 2015. The Company has prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies, Act, 2013 read together with paragraph 7 of Companies Rules, 2014 ("Indian GAAP").

2.2 Basis of Preparation and Presentation

These Financial Statements are prepared in accordance with Indian Accounting Standard 34 (Ind AS 34), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. Further deferred benefit plans and plan assets are measured at fair value at the end of the each reporting period as explained in the accounting policies below:

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transactions to sell the asset or transfer the liability takes place either in the principle market for the asset or liability, or in the absence of principle market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability and the assumptions the market participants would consider when pricing the asset or liability at the measurement date, assuming that market participants act in their best economic interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.



Notes forming part of the Financial Statements**Accounting Policies****2.3 Use of Estimates and Judgement**

In preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS, management of the Company has made estimates, judgements and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures relating to contingent liabilities as at the date of the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively, judgements are made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an ongoing basis.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year in respect of percentage of completion of contracts and recognition of probable loss, useful lives of property, plant and equipment, provision for income tax and valuation of deferred tax assets/ liabilities, provision for warranty and other provisions and contingent liabilities.

Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation arising out of past events and it is probable that an outflow of economic resources would be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements but are disclosed appropriately. A contingent asset is neither recognized nor disclosed in the financial statements.

2.4 Revenue recognition**Sale of goods**

Revenue from the sale of goods is recognized when (i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, (ii) effective control over the goods sold, (iii) the amount of revenue can be measured reliably; (iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sales returns are recognized as and when ascertained and are reduced from the sales turnover of the year. Amounts disclosed as revenue are net of Sales Tax, Goods & Service Tax, trade allowances, rebates and value added items.

Other income

Interest income- Interest Income is recognized and accounted on the basis of the effective Interest rate method.

Dividend Income- Dividend income is accounted for when the right to receive is established.

2.5 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years (Temporary Differences) and items that are never taxable or deductible (Permanent Differences). The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.



Notes forming part of the Financial Statements

Accounting Policies

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax ("MAT") paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognized as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

2.6 Inventory

Items of Inventories are valued at the lower of cost and the net realizable value. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Cost of inventories are determined on a weighted average basis.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.7 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.8 Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A) Financial Assets

Cash and Cash Equivalents

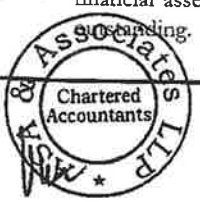
Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Financial Assets at Amortized Cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



Notes forming part of the Financial Statements**Accounting Policies****Financial Assets at Fair Value Through Profit and Loss (FVTPL)**

Financial assets are measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognized in statement of profit and loss.

B) Financial Liabilities and Equity**Financial Liabilities at Amortized Cost**

Financial liabilities are measured at amortized cost using effective interest method.

Equity Instruments

An equity instrument is contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognized by the Company are recognized at the proceeds received net off direct issue cost.

2.9 Earnings Per Share (EPS)

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.10 Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

Inherent in the application of many of the accounting policies used in preparing the Financial Statements is the need for Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. Key source of judgments, assumptions and estimation uncertainty in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of Oil impairment, useful lives of Property, Plant and Equipment, depletion of oil and gas assets, decommissioning provision, employee benefit obligations, provisions, provision for income tax, measurement of deferred tax assets and contingent assets.

2.11 Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the Management have made in the process of applying the company's accounting policies and that have the significant on the amounts recognized in the Financial Statements.

2.12 Determination of functional currency

Currency of the primary economic environment in which the company operates ("the functional currency") is Indian Rupee (₹) in which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee(₹).

2.13 Impact Assessment on Ind AS amendments applicable for FY 2022-23

The Ministry of corporate Affairs ("MCA") through a notification ("Companies (Indian Accounting Standards) Amendment Rules 2022") dated 23rd March, 2022, amended Indian Accounting Standard (Ind AS) 101, Indian Accounting Standard (Ind AS) 109, Indian Accounting Standard (Ind AS) 16, Indian Accounting Standard (Ind AS) 37 which shall be effective from 01st April, 2022. The company is in the process of evaluating its impact on the financial statements of the company. However, the company expects no major impact on the financial statements due to the above mentioned amendments.



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KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Balance Sheet as at March 31, 2022

CIN: U52520KA2021PLC143244

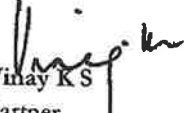
₹ Lakhs

| Particulars | Note No. | As at March 31, 2022 |
|--|----------|----------------------|
| ASSETS | | |
| Current assets | | |
| (a) Inventories | 3 | 42.55 |
| (b) Financial Assets | | |
| (i) Trade Receivables | 4 | 91.95 |
| (ii) Cash and Cash equivalents | 5 | 0.46 |
| (c) Other Current Assets | 6 | 100.89 |
| Total Current Assets | | 235.85 |
| Total Assets | | 235.85 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| (a) Equity Share capital | 7 | 5.00 |
| (b) Other Equity | 8 | (393.84) |
| Total Equity | | (388.84) |
| LIABILITIES | | |
| Non Current Liabilities | | |
| (a) Provisions | 9 | 12.31 |
| Total Non Current Liabilities | | 12.31 |
| Current Liabilities | | |
| (a) Financial Liabilities | | |
| (i) Trade Payables | 10 | |
| (A) Total outstanding dues to Micro, small and Medium Enterprises | | |
| (B) Total outstanding dues of creditors other than Micro, small and Medium Enterprises | | 330.46 |
| (ii) Deposits | 11 | 18.00 |
| (b) Other Current Liabilities | 12 | 217.66 |
| (c) Provisions | 13 | 46.26 |
| Total Current Liabilities | | 612.38 |
| Total Equity and Liabilities | | 235.85 |
| Summary of Significant Accounting Policies | 1, 2 | |
| The accompanying notes form an integral part of the financial statements | 1 to 29 | |

As per our report of even date attached

For ASA & Associates LLP

(Firm's Registration No. 009571N/N500006)



Vinay K S


Partner

Membership No. 223085


Place : Bengaluru

Date :04/11/2022

For and on behalf of the Board



T. Sudhakar Pai
Director
DIN- 00043298



Jyothi Ashish Pradhan
Director
DIN- 06733156

Place : Bengaluru

Date :04/11/2022



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KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED
Statement of Profit and Loss for the Period from January 18, 2021 to March 31, 2022

CIN: U52520KA2021PLC143244

₹ Lakhs

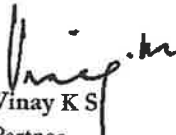
| Particulars | Note No. | For the Period from January 18, 2021 to March 31, 2022 |
|---|----------|--|
| I Revenue from operations | 14 | 4,499.65 |
| II Other Income | 15 | 0.02 |
| III Total Income (I+II) | | 4,499.67 |
| IV Expenses | | |
| Purchases of stock in trade | 16a | 3,845.95 |
| Changes in inventories of stock in trade | 16b | (42.55) |
| Employee benefits expense | 17 | 449.39 |
| Finance costs | 18 | 0.07 |
| Other expenses | 19 | 640.65 |
| Total Expenses (IV) | | 4,893.51 |
| V Profit before Exceptional Items and tax (III-IV) | | (393.84) |
| VI Exceptional Items | | - |
| VII Profit/(loss) before tax (V-VI) | | (393.84) |
| VIII Tax Expense | | |
| Current tax | | - |
| Tax credit of earlier years | | - |
| Deferred tax | | - |
| IX Profit for the Period (VII-VIII) | | (393.84) |
| Other comprehensive income | | |
| (i) Items that will not be reclassified to profit or loss | | - |
| (a) Re-measurements of the defined benefit plans [gain/ (loss)] | | - |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | - |
| X Total other comprehensive income | | - |
| XI Total comprehensive income for the Period (IX+X) | | (393.84) |
| Earnings per equity share : | | |
| Equity shares of par value Rs 10 each | | |
| (1) Basic (Rs) | 20 | (787.69) |
| (2) Diluted (Rs) | 20 | (787.69) |
| The accompanying notes form an integral part of the financial statements | | 1 to 29 |

As per our report of even date attached

For ASA & Associates LLP

Chartered Accountants

(Firm's Registration No. 009571N/N500006)

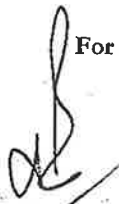

 Vinay K S
 Partner

Membership No. 223085

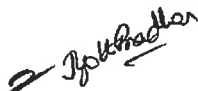
Place : Bengaluru

Date :04/11/2022

For and on behalf of the Board


 T. Sudhakar Pai
 Director

DIN- 00043298


 Jyothi Ashish Pradhan
 Director

DIN- 06733156

Place : Bengaluru

Date :04/11/2022



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KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

For the Period from January 18, 2021 to March 31, 2022

CIN: U52520KA2021PLC143244

₹ Lakhs

| Particulars | For the Period from January 18, 2021 to March 31, 2022 |
|---|--|
| A. Cash flows from Operating Activities | |
| Profit for the Period | (393.84) |
| Adjustments for: | |
| Finance costs recognized in profit or loss | 0.07 |
| | (393.77) |
| Movements in working capital: | |
| (Increase)/Decrease in Inventories | (42.55) |
| (Increase)/Decrease in Trade Receivables | (91.95) |
| (Increase)/Decrease in Other Current Assets | (100.89) |
| Increase/(Decrease) in Other Current Liabilities | 217.66 |
| Increase/(Decrease) in Trade Payables | 330.46 |
| Increase/(Decrease) in Provisions | 46.26 |
| Increase/(Decrease) in Other Financial Liabilities | 18.00 |
| Increase/(Decrease) in Provisions in Non current Liabilities | 12.31 |
| | 389.30 |
| Cash Flows generated from Operating Activities | (4.47) |
| Net cash flow from operating activities (A) | (4.47) |
| B. Cash flows from Investing Activities | |
| Proceeds from disposal of investment property | - |
| Payments for intangible assets | - |
| Net cash flow from / (used in) Investing Activities (B) | - |
| C. Cash flows from Financing Activities | |
| Proceeds From issue of shares | 5.00 |
| Bank Charges | (0.07) |
| Net cash flow from / (used in) financing activities (C) | 4.93 |
| Net increase / decrease in cash and cash equivalents (A+B+C) | 0.46 |
| Cash and cash equivalents at the beginning of the year | - |
| Cash and cash equivalents at the end of the period | 0.46 |

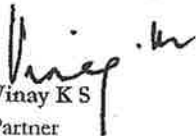
The accompanying notes form an integral part of the financial statements 1 to 29

In terms of our report attached.

For ASA & Associates LLP

Chartered Accountants

(Firm's Registration No. 009571N/N500006)




Vinay K S

Partner

Membership No. 223085

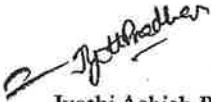
For and on behalf of the Board



T. Sudhakar Pai

Director

DIN - 00043298



Jyothi Ashish Pradhan

Director

DIN- 06733156

Place : Bengaluru

Date :04/11/2022

Place : Bengaluru

Date :04/11/2022



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KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED
Notes forming part of the Financial Statements

3 Inventories

₹ Lakhs

| Particulars | As at March 31, 2022 |
|---|----------------------|
| (a) Stock-in-trade | 42.55 |
| Total Inventories at lower of Cost or Net Realisable Value (NRV) | 42.55 |

4 Trade Receivables

₹ Lakhs

| Particulars | As at March 31, 2022 |
|--|----------------------|
| Trade Receivables (Unsecured) | |
| (a) Considered good | 91.95 |
| (b) which have significant increase in Credit Risk | - |
| Less: Allowance for Doubtful trade receivables | - |
| TOTAL | 91.95 |

4 Trade receivables Ageing Schedule

As at 31 March 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|-------------------|-----------|-----------|-------------------|--------------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables – considered good | 91.95 | - | - | - | - | 91.95 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Undisputed Trade receivable – credit impaired | - | - | - | - | - | - |
| Disputed Trade receivables - considered good | - | - | - | - | - | - |
| Disputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed Trade receivables – credit impaired | - | - | - | - | - | - |
| | 91.95 | - | - | - | - | 91.95 |

5 Cash and Bank Balances

₹ Lakhs

| Particulars | As at March 31, 2022 |
|---------------------------|----------------------|
| Cash and Cash Equivalents | |
| Balances with Banks | 0.46 |
| TOTAL | 0.46 |

6 Other Current Assets

| Particulars | As at March 31, 2022 |
|--|----------------------|
| Current | |
| (a) Advances to employees | 2.50 |
| (b) Advance from suppliers | 23.29 |
| (c) Balances with government authorities | 75.10 |
| TOTAL | 100.89 |



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED**Notes forming Part of the Financial Statements****7 Equity Share Capital**

₹ Lakhs

| Particulars | As at March 31, 2022 | |
|---|----------------------|------------------|
| | No. of shares | Value (₹ Lakhs.) |
| Authorised: | | |
| Equity shares of ₹ 10/- each with voting rights | 50,000 | 5 |
| Issued, Subscribed and fully Paid: | | |
| Equity shares of ₹ 10/- each with voting rights | 50,000 | 5 |

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

| Particulars | As at March 31, 2022 | |
|--|----------------------|------------------|
| | No. of shares | Value (₹ Lakhs.) |
| Equity Shares | | |
| Fully paid shares allotted during the Period | 50,000 | 5 |
| Outstanding at the end of the period | 50,000 | 5 |

(ii) Terms/Rights attached to Equity Shares

- a. The company has only one class of equity shares having a par value of ₹ 10/- each per share. Each holder of equity shares is entitled to one vote per share.
- b. In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of Shares held by the Holding Company

| Particulars | As at March 31, 2022 | |
|---|----------------------|-----------------------------------|
| | No. of shares held | % holding in that class of shares |
| Kurlon Enterprise Limited | | |
| Equity shares of ₹ 10/- each with voting rights | 50,000 | 100.00% |

(iv) Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of Shareholder | As at March 31, 2022 | |
|--|----------------------|-----------------------------------|
| | No. of shares held | % holding in that class of shares |
| Equity shares of ₹ 10/- each with voting rights Kurlon Enterprise Limited | 50,000 | 100.00% |



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KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED
Notes forming part of the Financial Statements

8 Other equity

₹ Lakhs

| Particulars | As at March 31, 2022 |
|---|----------------------|
| Retained Earnings | |
| Balance at the beginning of the year | |
| Add: Transfer from the Statement of Profit & Loss | (393.84) |
| TOTAL | (393.84) |

9 Provisions

| Particulars | As at March 31, 2022 |
|----------------------------------|----------------------|
| Non - Current Provision | |
| - Provision for Gratuity | 1.60 |
| - Provision for Leave Encashment | 10.71 |
| TOTAL | 12.31 |

10 Trade Payables

| Particulars | As at March 31, 2022 |
|--|----------------------|
| Total outstanding dues to Micro, small and Medium Enterprises | |
| Total outstanding dues of creditors other than Micro, small and Medium Enterprises | 330.46 |
| TOTAL | 330.46 |

Ageing of trade payables

| Particulars | Outstanding for following periods from the due date of payment | | | | Total |
|--------------------------------------|--|-------------|-------------|-------------------|---------------|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| March 31, 2022 | | | | | |
| Undisputed trade payables - MSME | | - | - | - | - |
| Undisputed trade payables - Non MSME | 330.46 | - | - | - | 330.46 |
| Total | 330.46 | - | - | - | 330.46 |

11 Deposits

₹ Lakhs

| Particulars | As at March 31, 2022 |
|--|----------------------|
| Other Financial Liabilities Measured at Amortized Cost | |
| a. Deposit from Dealers | 18.00 |
| TOTAL | 18.00 |

12 Other Current Liabilities

₹ Lakhs

| Particulars | As at March 31, 2022 |
|---|----------------------|
| a. Advances received from customers | 157.94 |
| b. Statutory dues | |
| - taxes payable (other than income taxes) | 23.68 |
| c. Salary Payable | 36.04 |
| Total Other Liabilities | 217.66 |

13 Provisions

| Particulars | As at March 31, 2022 |
|--------------------------|----------------------|
| Current Provision | |
| Gratuity Payable | 31.32 |
| Bonus Payable | 11.46 |
| Leave Encashment Payable | 3.48 |
| Total Provisions | 46.26 |



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED
Statement of Changes In Equity for the Period from January 18, 2021 to March 31, 2022

a. Equity Share Capital

₹ Lakhs

| Particulars | Amount |
|-------------------------------------|-------------|
| Issue of Equity Shares | 5.00 |
| Issue of Bonus Equity Shares | - |
| Balance as at March 31, 2022 | 5.00 |

b. Other Equity

| Particulars | Other Equity | Other Comprehensive Income | Total |
|---|-------------------|----------------------------|-----------------|
| | Retained earnings | | |
| Profit for the period | (393.84) | - | (393.84) |
| Remeasurement of Defined Benefits Plan (net of tax) | - | - | - |
| Balance as at March 31, 2022 | (393.84) | - | (393.84) |

In terms of our report attached.

For ASA & Associates LLP

Chartered Accountants

(Firm's Registration No. 009571N/N500006)

Vinay K S
 Vinay K S
 Partner

Membership No. 223085

Place : Bengaluru

Date :04/11/2022

For and on behalf of the Board

T. Sudhakar Pai
 T. Sudhakar Pai
 Director
 DIN- 00043298

Jyothi Ashish Pradhan
 Jyothi Ashish Pradhan
 Director
 DIN- 06733156

Place : Bengaluru

Date :04/11/2022



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KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED**Notes forming part of the Financial Statements****14 Revenue from Operations**

₹ Lakhs

| Particulars | For the Period from January 18, 2021 to March 31, 2022 |
|--------------------------------------|--|
| Sale of products | 4590.30 |
| Less: Schemes & Rebates | -90.65 |
| Total Revenue from Operations | 4,499.65 |

15 Other Income

₹ Lakhs

| Particulars | For the Period from January 18, 2021 to March 31, 2022 |
|---|--|
| (a) Interest Income, On Financial Assets at Amortized Cost Interest from banks on deposits | 0.02 |
| Total Other Income | 0.02 |

16 a. Purchase of stock-in-trade

| Particulars | For the Period from January 18, 2021 to March 31, 2022 |
|------------------|--|
| Stock -in -Trade | 3845.95 |
| | 3,845.95 |

b. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

| Particulars | For the Period from January 18, 2021 to March 31, 2022 |
|--|--|
| <u>Inventories at the beginning of the year:</u> | |
| Stock-in-trade | 0.00 |
| <u>Inventories at the end of the Period:</u> | |
| Stock-in-trade | 42.55 |
| | 42.55 |
| Net (increase) / decrease | (42.55) |



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED**Notes forming part of the Financial Statements****17 Employee Benefits Expense**

| Particulars | For the Period from January 18, 2021 to March 31, 2022 |
|---|--|
| Salaries and wages | 352.33 |
| Contribution to provident and other funds | 14.56 |
| Employer Contribution Gratuity | 32.92 |
| Bonus and Leave encashment | 25.65 |
| Car Allowance & FFS | 23.93 |
| Total | 449.39 |

18 Finance Cost

| Particulars | For the Period from January 18, 2021 to March 31, 2022 |
|--------------|--|
| Total | 0.07 |

19 Other Expenses

₹ Lakhs

| Particulars | For the Period from January 18, 2021 to March 31, 2022 |
|--------------------------------|--|
| Advertisement Expenses | 395.29 |
| Business promotion | 133.30 |
| Freight | 5.35 |
| Insurance charges | 2.38 |
| Legal and professional | 56.27 |
| Payment to auditors: | |
| -For Statutory audit | 0.60 |
| -For Tax audit | - |
| -For Reimbursement of expenses | - |
| Rates and taxes | 13.47 |
| Repairs and maintenance | 0.06 |
| Travelling and conveyance | 33.86 |
| Preliminary Expenses w/o | 0.08 |
| Miscellaneous Expenses | 0.00 |
| Total Other Expenses | 640.65 |



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KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED**Notes forming part of the Financial Statements**20 **Earnings per share** has been computed as under:

₹ Lakhs

Earnings per share

| Particulars | For the Period from January 18, 2021 to March 31, 2022 |
|---|---|
| Profit after Tax (₹ Lakhs) | -393.84 |
| Weighted average number of Equity shares outstanding -Basic (Nos. Lakhs) | 0.50 |
| Weighted average number of Equity shares outstanding- Diluted (Nos.Lakhs) | 0.50 |
| Earnings per share – Basic (₹) | -787.69 |
| Earnings per share – Diluted (₹) | -787.69 |
| Face Value of Equity Shares (₹) | 10/- |

Note:

| Particulars | For the Period from January 18, 2021 to March 31, 2022 |
|--|---|
| Weighted average number of equity shares for Basic EPS (Nos. in Lakhs) | 0.50 |
| Weighted average number of equity shares for Diluted EPS (Nos. in Lakhs) | 0.50 |

21 **Contingent Liabilities & Capital Commitments**

During the Period ended, there are no capital commitments and contingent liabilities.

22 **Segment Reporting****Operating Segment:**

- The Company is predominantly engaged in the business of trading in foam and related products. Considering the manner of review by the CODM in respect of
 - Resources to be allocated to the segment and
 - Segment financial performance, 'Foam & Related products' has been identified as the single operating segment.
- The revenue from the customer "M/S. Geet Gunjan the Furnishing Nest" amounts to Rs.4,71,92,021/- which exceeds the 10% of Revenue from operations
- Geographical segment information:** Separate geographical segment information has not been disclosed as more than 100% of the Revenue is in the domestic market.



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Notes forming part of the Financial Statements

23 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' (the Act). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2022 has been made in the financial statements based on information received and available with the Company.

| Particulars | As at March 31, 2022 |
|--|----------------------|
| (i) The principal amount remaining unpaid to any supplier at the end of each accounting year; | - |
| (ii) The interest due thereon remaining unpaid to any supplier at the end of each accounting year; | - |
| (iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | - |
| (iv) The amount of interest due and payable for the period of delay in making payment (which has | - |
| (v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - |

24 Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, a Company meeting the applicability threshold, need to spend at least 2% of average net profit for the immediately preceding three financial years on Corporate Social Responsibility(CSR) activities. The areas for CSR activities are as stated in Schedule VII of the Companies Act . These provisions are not applicable as the company does not qualify for the parameters required to be met in order to carry out the CSR activities.



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED**Notes forming part of the Financial Statements****25 Related party disclosures****a) List of Related Parties and Relationships**

| Relationship | Related Parties |
|---|--|
| Ultimate Holding Company | Kurlon Limited |
| Holding Company | Kurlon Enterprise Limited |
| Fellow Subsidiaries | Kurlon Retail Limited Manipal Natural Extracts Pvt Ltd Belvedere International Limited Kanvas Concepts Private Limited Starship Value chain and Manufacturing Private Limited (Formerly Starship Manufacturing & Services Private Limited)(w.e.f from March 21,2021) Sevalal Solar Pvt Limited Sirar Solar Energies Private Limited Sirar Dhotre Solar Private Limited Manipal Software & E-Commerce Pvt Limited (w.e.f March 25, 2021) |
| Enterprises owned or significantly influenced by key management personnel /Directors and their relatives(Where transactions have taken place during the year) | Manipal Advertising Services Private Limited Home Komfort Retail LLP Manipal Travels Pvt Ltd |
| Key Management Personnel | Mr. T. Sudhakar Pai, Director Ms. Jaya S Pai, Director Ms. Jyothi Ashish Pradhan, Director |

b) Related Party transactions

(₹ Lakhs)

| Particulars | Key Management personnel and their Relatives | Ultimate Holding Company | Enterprises owned or significantly influenced by Key Management Personnel / Directors and their relatives | Fellow Subsidiaries | | Holding Company | |
|--|--|--------------------------|---|---------------------|------------|-----------------|------------|
| | | | | 31-03-2022 | 31-03-2022 | 31-03-2022 | 31-03-2022 |
| Transactions during the Period: | | | | | | | |
| Advertisement Expenses | | | | | | | |
| Manipal Advertising Services Private Limited | | | 0.22 | | | | |
| Travelling Expenses | | | | | | | |
| Manipal Travels (India) Private Limited | | | 32.35 | | | | |
| Sales | | | | | | | |
| Kurlon Enterprise Ltd | | | | | | 8.81 | |
| Kurlon Retail Ltd | | | | | 1.21 | | |
| Purchases | | | | | | | |
| Kurlon Enterprise Ltd | | | | | | | 3,753.93 |
| Kurlon Retail Ltd | | | | | | | |
| Outstanding as at Period end: | | | | | | | |
| Amounts recoverable | | | | | | | |
| Kurlon Enterprise Ltd | | | | | | | |
| Kurlon Retail Ltd | | | | | 1.43 | | |
| Amounts Payable | | | | | | | |
| Kurlon Enterprise Ltd | | | | | | | 300.29 |
| Manipal Travels (India) Private Limited | | | 0.22 | | | | |

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KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Notes forming part of the Financial Statements

26 Financial Instruments

A) Capital Management

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The company monitors the return on capital as well as the level of dividends on its equity shares. The company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

| Particulars | ₹ Lakhs | |
|---|-----------------|--|
| | As at | |
| | 31-Mar-22 | |
| Total equity attributable to the equity shareholders of the company | (388.84) | |
| As a percentage of total capital | 100% | |
| Current borrowings | - | |
| Non-current borrowings | - | |
| Total borrowings | - | |
| As a percentage of total capital | 0% | |
| Total Capital | (388.84) | |

The company is predominantly equity financed which is evident from the capital structure table.

B) Categories of financial instruments

The carrying amounts and fair values of the financial instruments by class are as follows:

| Particulars | ₹ Lakhs | |
|-----------------------------------|-----------------|--|
| | Carrying amount | |
| | As at | |
| | March 31, 2022 | |
| Financial assets | | |
| Measured at Amortized Cost | | |
| Current assets | | |
| - Trade receivables | 91.95 | |
| - Cash and cash equivalents | 0.46 | |
| Total | 92.41 | |
| Financial Liabilities | | |
| Measured at Amortized Cost | | |
| Current liabilities | | |
| - Trade payables | 330.46 | |
| - Other financial liabilities | 18.00 | |
| Total | 348.46 | |

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The company has disclosed financial instruments which comprise of deposits, trade and other payables, trade and other receivables, cash and cash equivalents and other bank balances at carrying value because their carrying value are a reasonable approximation of the fair values due to their short term nature.

2. Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken into the account for the expected losses of these receivables.

C) Financial Risk Management

The company's principal financial liabilities, comprise of deposits, trade and other payables.

The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The company's financial risk management is an integral part of how to plan and execute its business strategies. The company is exposed to market risk, credit risk and liquidity risk.

The company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the company are accountable to the Board of Directors and Audit Committee.

This process provides assurance to company's senior management that the company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with company policies and company risk objective.



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED**Notes forming part of the Financial Statements**

The management reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk. Financial instruments affected by market risks include borrowings, security deposits, investments and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at March 31, 2022. The analysis exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2022.

i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from various countries. The company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

This is not applicable as there is no Foreign currency exposure on the company.

ii) Interest Rate Risk

Interest rate is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises of trade payables and security deposits; however these are not exposed to risk of fluctuation in market interest rates as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

Interest rate risk management

Interest rate risk arises from borrowings. Debt issued at variable rates exposes the company to cash flow risk. Debt issued at fixed rate exposes the company to fair value risk. At the reporting date there are no interest-bearing financial instruments of the company, so this is not applicable.

Interest rate sensitivity analysis

Financial instruments affected by interest rate changes include Secured Long term loans from banks, Secured Long term loans from others and Secured Short term loans from banks. This is not applicable for the company as there are no borrowings.

(b) Credit Risk :

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

i) Trade Receivables

Customer credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating review and individual credit limits are defined in accordance with this assessment. The company regularly monitors its outstanding customer receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.



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KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Notes forming part of the Financial Statements

ii) Financial instruments and cash & bank deposits

Credit risk from balances with banks and financial institutions is managed by the company's finance department in accordance with the company's policy. Investments of surplus funds are made in bank deposits, bonds and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2022 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the company.

₹ Lakhs

| Particulars | As at March 31, 2022 |
|-----------------------------|-------------------------|
| Current assets | |
| - Trade receivables | 91.95 |
| - Cash and cash equivalents | 0.46 |
| Total | 92.41 |

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis and loss allowance of trade receivables given below has been considered from the date the invoice falls due:

₹ Lakhs

| Particulars | As at March 31, 2022 |
|----------------------------|-------------------------|
| Not Due | - |
| Due from 0 to 180 days | 91.95 |
| Due for more than 180 days | - |
| Less: Loss Allowance | - |
| Total | 91.95 |

(c) Liquidity risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. The company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits. Processes and policies related to such risks are overseen by senior management. Management monitors the company's liquidity position through rolling forecasts on the basis of expected cash flows. The company assessed the concentration of risk with respect to its debt and concluded it to be very low.



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED**Notes forming part of the Financial Statements****Maturity profile of financial liabilities**

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date:

₹ Lakhs

| Particulars | Carrying Value | Less than 1 year | 1 to 5 years |
|-------------------------------------|----------------|------------------|--------------|
| As at March 31, 2022 | | | |
| Trade payables | 330.46 | 330.46 | |
| Other current financial liabilities | 18.00 | 18.00 | |
| Total | 348.46 | 348.46 | |

D) Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Disclosures of fair value measurement hierarchy for financial instruments are given below:

₹ Lakhs

| Particulars | Carrying amount/Fair value | | |
|---------------------------------------|----------------------------|-----|---------------|
| | As at March 31, 2022 | | |
| | L-1 | L-2 | L-3 |
| Financial assets | | | |
| a) Measured at Amortised Cost | | | |
| Current assets | | | |
| - Trade receivables | - | - | 91.95 |
| - Cash and cash equivalents | - | - | 0.46 |
| Total | - | - | 92.41 |
| Financial liabilities | | | |
| a) Measured at Amortised Cost | | | |
| Current liabilities | | | |
| - Trade payables | - | - | 330.46 |
| - Other current financial liabilities | - | - | 18.00 |
| Total | - | - | 348.46 |

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The management assessed that the carrying value of loans to employees and security deposits approximates the fair value presented.



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Notes forming part of the Financial Statements

27 Employee benefits

(a) Defined Benefit plans:

Gratuity : Payable on separation as per the Payment of Gratuity Act, 1972 as amended @ 15 days pay, for each completed year of service to eligible employees who render continuous service of 5 years or more.

(b) Defined Contribution plan:

Company's employees are covered by Provident Fund and Employees State Insurance Scheme/Fund, to which the company makes a defined contribution measured as a fixed percentage of salary. During the period, amount of ₹ 14,52,648 (Previous Year: ₹NIL) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

₹ Lakhs

| Particulars | For the Period from January 18, 2021 to March 31, 2022 |
|---|--|
| Employer's contribution towards Provident Fund (PF) | 14.53 |

(c) Other disclosures of Defined Benefit plans as required under Ind AS-19 are as under

A. i. Reconciliation of the opening and closing balances of Defined Benefit Obligation:

₹ Lakhs

| Particulars | Gratuity |
|---|--|
| | For the Period from January 18, 2021 to March 31, 2022 |
| Present Value of Defined Benefit Obligation at the beginning of year | - |
| Interest cost | - |
| Current Service Cost | 32.92 |
| Past Service Cost | - |
| Benefit Paid | - |
| Actuarial (Gain) / Loss arising from Change in Demographic Assumptions | - |
| Actuarial (Gain) / Loss arising from Change in Financial Assumptions | - |
| Actuarial (Gain) / Loss arising from Changes in Experience Adjustments | - |
| Present value of the Defined Benefit Obligation at the end of Period | 32.92 |

ii. Net Defined Benefit recognized in the Statement of Profit and Loss.

| Particulars | Gratuity |
|---|--|
| | For the Period from January 18, 2021 to March 31, 2022 |
| Current Service Cost | 32.92 |
| Past Service Cost | - |
| Interest cost | - |
| Interest income on plan asset | - |
| Other Costs | - |
| Net Defined Benefit recognized in Statement of Profit and Loss | 32.92 |

iii. Net asset / (liability) recognized in the Balance Sheet

₹ Lakhs

| Particulars | Gratuity |
|--|--|
| | For the Period from January 18, 2021 to March 31, 2022 |
| Present value of Defined Benefit obligation at the end of the period | 32.92 |
| Fair value of plan assets | - |
| Net Defined Benefit recognized in the Balance Sheet | (32.93) |

iv. Recognized in Other Comprehensive Income.

₹ Lakhs

| Particulars | Gratuity |
|---|--|
| | For the Period from January 18, 2021 to March 31, 2022 |
| Actuarial (Gain) / Loss arising from Change in Demographic Assumptions | - |
| Actuarial (Gain)/Loss on arising from Change in Financial Assumption | - |
| Actuarial (Gain)/Loss on arising from Changes in Experience Adjustments | - |
| Return on Plan Assets (Greater)/Less than Discount rate | - |
| Net actuarial Loss | - |



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Notes forming part of the Financial Statements

v. Sensitivity Analysis*

a) Impact of the change in the discount rate

| Particulars | ₹ Lakhs | |
|---|--|--------|
| | Gratuity | |
| | For the Period from January 18, 2021 to March 31, 2022 | |
| Present value of the Defined Benefit Obligation at the end of Period | | 32.92 |
| a) Impact due to increase of 1% (PY-NIL%) | | (2.59) |
| b) Impact due to decrease of 1% (PY-NIL%) | | 3.02 |

b) Impact of the change in the salary increase

| Particulars | ₹ Lakhs | |
|---|--|--------|
| | Gratuity | |
| | For the Period from January 18, 2021 to March 31, 2022 | |
| Present value of the Defined Benefit Obligation at the end of Period | | 32.92 |
| a) Impact due to increase of 1% (PY-NIL%) | | 2.93 |
| b) Impact due to decrease of 1% (PY-NIL%) | | (2.55) |

*Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

* Sensitivities as to rate of inflation, rate of increase of pension in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

vi. Maturity Profile.

| Particulars | ₹ Lakhs | |
|-----------------|--|-------|
| | Gratuity | |
| | For the Period from January 18, 2021 to March 31, 2022 | |
| 0 to 1 year | | 1.60 |
| 1 to 2 Year | | 1.51 |
| 2 to 3 Year | | 1.43 |
| 3 to 4 Year | | 1.36 |
| 4 to 5 Year | | 10.31 |
| 6-10 Years | | 4.37 |
| 10 Year onwards | | 12.34 |

vii. Expected contribution for the next Annual reporting period

| Particulars | ₹ Lakhs | |
|---|--|-------|
| | Gratuity | |
| | For the Period from January 18, 2021 to March 31, 2022 | |
| Service Cost | | 32.92 |
| Net Interest Cost | | - |
| Expected Expense for the next annual reporting period | | 38.30 |

viii. Actuarial Assumptions:

Principal assumptions used for actuarial valuation are:

| Particulars | Gratuity | |
|--|--|--|
| | For the Period from January 18, 2021 to March 31, 2022 | |
| Method used | Projected unit credit method | |
| Discount rate | 7.50% | |
| Salary Escalation | 7.00% | |
| Mortality Rate | IALM (2012-14) | |
| Withdrawal rate up to 30/44 and above 44 years | 5% | |
| Rate of return on plan assets | 0.00% | |

B. Present value of defined benefit obligation:

| Particulars | Leave Encashment | |
|--------------------------------------|--|-------|
| | For the Period from January 18, 2021 to March 31, 2022 | |
| Liabilities recognised under: | | |
| Non Current Provision | | 10.71 |
| Current Provision | | 3.48 |
| | | 14.19 |
| Actuarial Assumptions | | |
| Discount rate (per annum) | | 7.50% |
| Salary growth rate | | 7% |
| Attrition rate | | 5.00% |
| Retirement age (years) | | 60 |



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED
Notes forming part of the Financial Statements

28. Ratio analysis and its elements

| Ratio | Numerator | Denominator | For the Period from Date of Incorporation (18th Jan 21) to 31 March 2022 | % change | Reason for Variance |
|--|---|--|--|----------|--|
| a) Current ratio (in times) | Total current assets | Total current liabilities | 0.39 | NA | As this is the first set of Financials, reason for variance is not applicable. |
| b) Debt-equity ratio (in times) | Borrowings (current & non-current) | Total equity | NA | NA | |
| c) Debt service coverage ratio(in times) | Earnings for debt service = Net profit after taxes + Depreciation & Amortisation Expenses | Debt service = Finance Cost + Current maturity of borrowings | NA | NA | |
| d) Return on equity ratio (in %) | Net profits after taxes | Average total equity | 1.01 | NA | |
| e) Inventory turnover ratio (in times) | Cost of goods sold | Average inventory | 89.39 | NA | |
| f) Trade receivables turnover ratio (in times) | Revenue from operations | Average trade receivable | 49.92 | NA | |
| g) Trade payables turnover ratio (in times) | Cost of goods sold | Average trade payables | 11.51 | NA | |
| h) Net capital turnover ratio (in times) | Revenue from operations | Working capital = Total current assets - Total current liabilities | (12.19) | NA | |
| i) Net profit ratio (in %) | Net profit after tax | Net sales = Total sales - sales return | (0.09) | NA | |
| j) Return on capital employed (in %) | Earnings before interest and taxes | Capital employed = Total equity + borrowings | 1.01 | NA | |
| k) Return on investment | Interest (Finance Income) | Investment | NA | NA | |



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED**Notes forming part of the Financial Statements****29 Other Statutory Information**

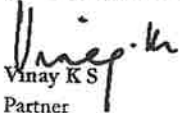
- i The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies ('ROC') beyond the statutory period.
- iii The Company has not been declared as willful defaulter by any bank or financial institutions or other lenders.
- iv The Company does not own any immovable property and as such, there exists no circumstance, where the title deeds of immovable properties of the Company are held in the name of a person, other than the Company.
- v During the period, the Company has not revalued its Property, Plant and Equipments.
- vi The Company have not traded or invested in Crypto currency or Virtual Currency during the financial period.
- vii The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- viii The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- ix The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- x The Company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
- xi The code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The code has been published in the Gazette of India. However, the date on which the code will come into effect has not been notified and the final rules have not yet been issued. The company will assess the impact of the code when it comes into effect and will record any related impact in the period the Code becomes effective.
- xii Kurion Enterprise Limited would support in the operations of the Company whenever required as considering the synergies and business nature, it would provide the desired requirements to ensure smooth conduct of business by the Company.

As per our report of even date attached

For ASA & Associates LLP

Chartered Accountants

(Firm's Registration No. 009571N/N500006)


Vinay K S

Partner

Membership No. 223085

Place : Bengaluru

Date : 04/11/2022

For and on behalf of the Board


T. Sudhakar Pai

Director

DIN- 00043298


Jyothi Ashish Pradhan

Director

DIN- 06733156

Place : Bengaluru

Date : 04/11/2022



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Notes forming part of the financial statements

29) Leave Encashment

(ii) Present value of defined benefit obligation

| Particulars | For the Period ended March 31, 2022 |
|--------------------------------------|-------------------------------------|
| Liabilities recognised under: | |
| Long-term provision | 10,70,796 |
| Short-term provision | 3,48,332 |
| | 14,19,128 |
| Actuarial Assumptions | |
| Discount rate (per annum) | 7.50% |
| Salary growth rate | 7% |
| Attrition rate | 5.00% |
| Retirement age (years) | 60 |

| EMPLOYEES ANNUAL LEAVE SCHEME MEASUREMENT REPORT | As on 31/03/2022 | As per pay register | Variance | |
|--|------------------|---------------------|-------------|------------------------|
| NUMBER OF EMPLOYEES | 46 | 46 | - | |
| TOTAL LEAVE COUNT VALUED | 411 | 411 | - | As per client workings |
| TOTAL LEAVE COUNT GIVEN | 411 | 411 | - | As per client workings |
| TOTAL MONTHLY BASIC SALARY | 10,97,533 | 10,97,533 | - | |
| AVERAGE MONTHLY BASIC SALARY | 23,859 | 23,859 | (0) | |
| TOTAL CTC | 13,71,916 | 27,67,731 | (13,95,815) | |
| AVERAGE CTC | 29,824 | 60,168.07 | (30,344) | |

| EMPLOYEES CASUAL LEAVE SCHEME MEASUREMENT REPORT | As on 31/03/2022 | As per pay register | Variance | |
|--|------------------|---------------------|----------|------------------------|
| NUMBER OF EMPLOYEES | 46 | 46 | - | |
| TOTAL LEAVE COUNT VALUED | 121 | 121 | - | As per client workings |
| TOTAL LEAVE COUNT GIVEN | 121 | 121 | - | As per client workings |
| TOTAL CTC | 27,67,731 | 27,67,731 | - | |
| AVERAGE CTC | 60,168 | 60168 | - | |

| EMPLOYEES SICK LEAVE SCHEME MEASUREMENT REPORT | As on 31/03/2022 | As per pay register | Variance | |
|--|------------------|---------------------|----------|------------------------|
| NUMBER OF EMPLOYEES | 46 | 46 | - | |
| TOTAL LEAVE COUNT VALUED | 480 | 480 | - | As per client workings |
| TOTAL LEAVE COUNT GIVEN | 480 | 480 | - | As per client workings |
| TOTAL CTC | 27,67,731 | 27,67,731 | - | |
| AVERAGE CTC | 60,168 | 60168 | - | |

| PRESENT VALUE OF DEFINED BENEFITS OBLIGATIONS (DBO) | As on 31/03/2022 |
|---|------------------|
| As per Annual leave scheme | 2,96,031 |
| As per Causal leave scheme | 2,34,117 |
| As per Sick leave scheme | 8,88,980 |
| Grand Total | 14,19,128 |

As per the Company's policy for compensated absences of annual leaves, Employees can be carried forward to next year and may be accumulated for a maximum period of 180 days. Any leave over this will be considered "lapsed".



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KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Balance Sheet as at March 31, 2023


CIN: U52520KA2021PLC143244

(Amount in Rs. Lakhs, unless otherwise stated)

| Particulars | Note No. | As at March 31, 2023 | As at March 31, 2022 |
|--|----------|----------------------|----------------------|
| ASSETS | | | |
| Current assets | | | |
| (a) Inventories | 3 | - | 42.55 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 4 | 65.02 | 91.95 |
| (ii) Cash and Cash equivalents | 5 | 7.18 | 0.46 |
| (c) Other Current Assets | 6 | 59.84 | 100.89 |
| Total Current Assets | | 132.04 | 235.85 |
| Total Assets | | 132.04 | 235.85 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share capital | 7 | 5.00 | 5.00 |
| (b) Other Equity | 8 | (386.47) | (393.84) |
| Total Equity | | (381.47) | (388.84) |
| LIABILITIES | | | |
| Non Current Liabilities | | | |
| (a) Provisions | 9 | 33.42 | 12.31 |
| Total Non Current Liabilities | | 33.42 | 12.31 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Trade Payables | 10 | | |
| (A) Total outstanding dues to Micro, small and Medium Enterprises | | | |
| (B) Total outstanding dues of creditors other than Micro, small and Medium Enterprises | | 372.11 | 330.46 |
| (ii) Other Financial liabilities | 11 | 48.39 | 18.00 |
| (b) Other Current Liabilities | 12 | 45.53 | 217.66 |
| (c) Provisions | 13 | 14.06 | 46.26 |
| Total Current Liabilities | | 480.09 | 612.38 |
| Total Equity and Liabilities | | 132.04 | 235.85 |
| Summary of Significant Accounting Policies | 1, 2 | | |
| The accompanying notes form an integral part of the financial statements | 1 to 30 | | |


As per our report of even date attached

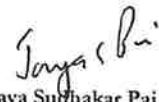
For ASA & Associates LLP
Chartered Accountants
Firm Registration No.009571N/500006


Vinay K S
Partner
Membership No. 223085



For and on behalf of the Board
Komfort Universe Products And Services Limited
U52520KA2021PLC143244


T. Sudhakar Pai
Director
DIN- 00043298


Jaya Sudhakar Pai
Director
DIN- 00030515

Place: Bengaluru
Date: 25.07.2023

Place: Bengaluru
Date: 25.07.2023

Place: Bengaluru
Date: 25.07.2023

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KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED
Statement of Profit and Loss for the Period from April 2022 to March 31, 2023

CIN: U52520KA2021PLC143244

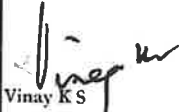
(Amount in Rs. Lakhs, unless otherwise stated)

| Particulars | Note No. | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|---|----------|----------------------------------|--|
| Income | | | |
| I Revenue from operations | 14 | 231.05 | 4,499.65 |
| II Other Income | 15 | 599.97 | 0.02 |
| III Total Income (I+II) | | 831.02 | 4,499.67 |
| IV Expenses | | | |
| Purchases of stock in trade | 16a | 186.36 | 3,845.95 |
| Changes in inventories of stock in trade | 16b | 42.55 | (42.55) |
| Employee benefits expense | 17 | 294.79 | 449.39 |
| Finance costs | 18 | 0.01 | 0.07 |
| Other expenses | 19 | 316.38 | 640.65 |
| Total Expenses (IV) | | 840.09 | 4,893.51 |
| V Profit before Exceptional Items and tax (III-IV) | | (9.07) | (393.84) |
| VI Exceptional Items | | - | - |
| VII Profit/(loss) before tax (V-VI) | | (9.07) | (393.84) |
| VIII Tax Expense | | | |
| Current tax | | - | 29.00 |
| Tax credit of earlier years | | - | - |
| Deferred tax | | - | - |
| IX Profit for the Period (VII-VIII) | | (9.07) | (393.84) |
| Other comprehensive income | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| (a) Re-measurements of the defined benefit plans [gain/ (loss)] | | 16.44 | - |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| X Total other comprehensive income | | 16.44 | - |
| XI Total comprehensive income for the Period (IX+X) | | 7.37 | (393.84) |
| Earnings per equity share : | | | |
| Equity shares of par value Rs 10 each | | | |
| (1) Basic (Rs) | 20 | 14.74 | (787.69) |
| (2) Diluted (Rs) | 20 | 14.74 | (787.69) |
| The accompanying notes form an integral part of the financial statements | 1 to 30 | | |

As per our report of even date attached

For ASA & Associates LLP

Chartered Accountants 1 to 30
 Firm Registration No.009571N/500006



 Vinay K S
 Partner
 Membership No. 223085

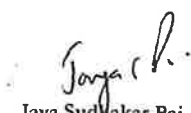


Place: Bengaluru
 Date: 25.07.2023

For and on behalf of the Board

Komfort Universe Products And Services Limited
 U52520KA2021PLC143244


 T. Sudhakar Pai
 Director
 DIN- 00043298


 Jaya Sudhakar Pai
 Director
 DIN- 00030515

Place: Bengaluru
 Date: 25.07.2023

Place: Bengaluru
 Date: 25.07.2023

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KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

For the Period from April 01, 2022 March 31, 2023

CIN: U52520KA2021PLC143244

Cash flow statement for the year ended 31 March 2023

(Amount in Rs. Lakhs, unless otherwise stated)

| Particulars | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|---|----------------------------------|--|
| A. Cash flows from Operating Activities | | |
| Profit for the Period | (9.07) | (393.84) |
| Adjustments for: | | |
| Finance costs recognized in profit or loss | 0.01 | 0.07 |
| | (9.06) | (393.77) |
| Movements in working capital: | | |
| (Increase)/Decrease in Inventories | 42.55 | (42.55) |
| (Increase)/Decrease in Trade Receivables | 26.93 | (91.95) |
| (Increase)/Decrease in Other Current Assets | 41.05 | (100.89) |
| Increase/(Decrease) in Other Current Liabilities | (172.13) | 217.66 |
| Increase/(Decrease) in Trade Payables | 41.65 | 330.46 |
| Increase/(Decrease) in Provisions | (32.20) | 46.26 |
| Increase/(Decrease) in Other Financial Liabilities | 30.39 | 18.00 |
| Increase/(Decrease) in Provisions in Non current Liabilities | 37.55 | 12.31 |
| | 15.79 | 389.30 |
| Cash Flows generated from Operating Activities | 6.73 | (4.47) |
| Net cash flow from operating activities (A) | 6.73 | (4.47) |
| B. Cash flows from Investing Activities | | |
| Proceeds from disposal of investment property | - | - |
| Payments for intangible assets | - | - |
| Net cash flow from / (used in) Investing Activities (B) | - | - |
| C. Cash flows from Financing Activities | | |
| Proceeds from issue of shares | - | 5.00 |
| Bank Charges | (0.01) | (0.07) |
| Net cash flow from / (used in) financing activities (C) | (0.01) | 4.93 |
| Net increase / decrease in cash and cash equivalents (A+B+C) | 6.72 | 0.46 |
| Cash and cash equivalents at the beginning of the year | 0.46 | - |
| Cash and cash equivalents at the end of the period | 7.18 | 0.46 |

The accompanying notes form an integral part of the financial statements 1 to 30

In terms of our report attached.

For ASA & Associates LLP

Chartered Accountants

Firm Registration No.009571N/500006



Vinay K S

Partner

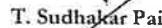
Membership No. 223085



For and on behalf of the Board

Komfort Universe Products And Services Limited

U52520KA2021PLC143244



T. Sudhakar Pai

Director

DIN- 00043298



Jaya Sudhakar Pai

Director

DIN- 00030515

Place: Bengaluru

Date: 25.07.2023

Place: Bengaluru

Date: 25.07.2023

Place: Bengaluru

Date: 25.07.2023

KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED
Statement of Changes in Equity for the year ended March 31, 2023
CIN: U51909KA2008PLC045558

A) Equity Share Capital

(Amount in Rs. Lakhs, unless otherwise stated)

| Particulars | As at March 31, | |
|---|-----------------|----------------------|
| | 2023 | As at March 31, 2022 |
| Equity share of Rs. 10/- each issued, subscribed and fully paid | | |
| Balance at the beginning of the current reporting year | 5.00 | 5.00 |
| Changes in Equity Share Capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting year | 5.00 | 5.00 |
| Changes in equity share capital during the current year | - | - |
| Balance at the end of the current year | 5.00 | 5.00 |

B) Other Equity

| Particulars | Reserves and Surplus | | Items of OCI | Total |
|---|----------------------|------------------|---|-------|
| | Retained Earnings | Capital Reserves | Investment in equity instruments measured at fair value through OCI | |
| Balance as on 18th January 2021 | - | - | - | - |
| Changes in accounting policy or prior period errors | - | | | - |
| Restated balance at the beginning of the current reporting year | - | | | - |
| Total Comprehensive Income for the current year | (393.84) | | | |
| Other comprehensive Income (net of tax) | | | | |
| Remeasurement of net defined benefit liability/asset (net of tax) * | | | | |
| Balance as on 31st March 2022 | (393.84) | - | - | - |
| Changes in accounting policy or prior period errors | | | | |
| Restated balance at the beginning of the current reporting year | | | | |
| Total Comprehensive Income for the current year | (9.07) | | | |
| Other comprehensive Income (net of tax) | | | | |
| Remeasurement of net defined benefit liability/asset (net of tax) † | 16.44 | | | |
| Balance as on 31st March 2023 | (386.47) | - | - | - |

* In accordance with Notification G.S.R 404(E), dated 06 April 2016, the company has recognised remeasurement of defined benefit plans amounting to Rs.16.44 Lakhs {PY - 0 Lakhs} as a part of retained earnings in previous financial year.

The accompanying notes form an integral part of the financial statements 1 to 30

In terms of our report attached.

For ASA & Associates LLP

Chartered Accountants

Firm Registration No.009571N/500006


 Vinay K S
 Partner


Membership No. 223085




For and on behalf of the Board

Komfort Universe Products And Services Limited

U52520KA2021PLC143244


 T. Sudhakar Pai
 Director
 DIN- 00043298


 Jaya Sudhakar Pai
 Director
 DIN- 00030515

Place: Bengaluru

Date: 25.07.2023

Place: Bengaluru

Date: 25.07.2023

Place: Bengaluru

Date: 25.07.2023

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KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

CIN : U52520KA2021PLC143244

N-301, 3RD FLOOR, NORTH BLOCK, MANIPAL CENTRE, BANGALORE-560042

Notes forming part of the Financial Statements**Significant Accounting Policies****1 Corporate Information**

Komfort Universe Products And Services Limited was incorporated in Karnataka on 18.01.2021. The Company is a wholly owned subsidiary company of Kurlon Enterprise Limited and is engaged in the business of buying, selling, reselling, importing, exporting, transporting, storing, promoting, marketing, supplying, dealing and trading of Semi-finished Goods (SFG), foam products, RC Pads, EPE Products and other related Products and Services on B2B basis in India and outside India.

2 Significant Accounting Policies**2.1 Statement of compliance**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS" notified under the Companies (Indian Accounting Standards) Rules, 2015. The Company has prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies, Act, 2013 read together with paragraph 7 of Companies Rules, 2014 ("Indian GAAP").

2.2 Basis of Preparation and Presentation

These Financial Statements are prepared in accordance with Division II of schedule III of Companies Act, 2013, under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Financial Statements are presented in Indian Rupees Lakhs unless otherwise stated. Further deferred benefit plans and plan assets are measured at fair value at the end of the each reporting period as explained in the accounting policies below:

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transactions to sell the asset or transfer the liability takes place either in the principle market for the asset or liability, or in the absence of principle market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability and the assumptions the market participants would consider when pricing the asset or liability at the measurement date, assuming that market participants act in their best economic interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

Fair value measurement :

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.



Notes forming part of the Financial Statements**Significant Accounting Policies****2.3 Use of Estimates and Judgement**

In preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS, management of the Company has made estimates, judgements and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures relating to contingent liabilities as at the date of the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively, judgements are made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an ongoing basis.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year in respect of percentage of completion of contracts and recognition of probable loss, useful lives of property, plant and equipment, provision for income tax and valuation of deferred tax assets/ liabilities, provision for warranty and other provisions and contingent liabilities.

Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation arising out of past events and it is probable that an outflow of economic resources would be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements but are disclosed appropriately. A contingent asset is neither recognized nor disclosed in the financial statements.

2.4 Revenue recognition**Sale of goods**

Revenue from the sale of goods is recognized when (i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, (ii) effective control over the goods sold, (iii) the amount of revenue can be measured reliably; (iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sales returns are recognized as and when ascertained and are reduced from the sales turnover of the year. Amounts disclosed as revenue are net of Sales Tax, Goods & Service Tax, trade allowances, rebates and value added items.

Other income

Interest income- Interest Income is recognized and accounted on the basis of the effective Interest rate method.

Dividend Income- Dividend income is accounted for when the right to receive is established.

2.5 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ' Profit before tax ' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years (Temporary Differences) and items that are never taxable or deductible (Permanent Differences). The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.



Notes forming part of the Financial Statements**Significant Accounting Policies**

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax ("MAT") paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognized as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

2.6 Inventory

Items of Inventories are valued at the lower of cost and the net realizable value. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Cost of inventories are determined on a weighted average basis.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.7 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.8 Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A) Financial Assets**Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Financial Assets at Amortized Cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



Notes forming part of the Financial Statements

Significant Accounting Policies

Derecognition of financial assets A financial asset is derecognised only when Company has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Financial Assets at Fair Value Through Profit and Loss (FVTPL)

Financial assets are measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognized in statement of profit and loss.

B) Financial Liabilities and Equity

Financial Liabilities at Amortized Cost

Financial liabilities are measured at amortized cost using effective interest method.

Equity Instruments

An equity instrument is contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognized by the Company are recognized at the proceeds received net off direct issue cost.

2.9 Earnings Per Share (EPS)

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.10 Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

Inherent in the application of many of the accounting policies used in preparing the Financial Statements is the need for Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. Key source of judgments, assumptions and estimation uncertainty if the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of Oil impairment, useful lives of Property, Plant and Equipment, depletion of oil and gas assets, decommissioning provision, employee benefit obligations, provisions, provision for income tax, measurement of deferred tax assets and contingent assets.

2.11 Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the Management have made in the process of applying the company's accounting policies and that have the significant on the amounts recognized in the Financial Statements.

2.12 Determination of functional currency

Currency of the primary economic environment in which the company operates ("the functional currency") is Indian Rupee (₹) I which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee(₹).

2.13 Impact Assessment on Ind AS amendments applicable for FY 2023-24

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.



Notes forming part of the Financial Statements

Significant Accounting Policies

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.



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KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED
Notes forming part of the Financial Statements

(Amount in Rs. Lakhs, unless otherwise stated)

3 Inventories

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| (a) Stock-in-trade | - | 42.55 |
| Total Inventories at lower of Cost or Net Realisable Value (NRV) | - | |

4 Trade Receivables

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Trade Receivables (Unsecured) | | |
| (a) Considered good | 65.02 | 91.95 |
| (b) which have significant increase in Credit Risk | - | - |
| | 65.02 | 91.95 |
| Less: Allowance for Doubtful trade receivables | - | - |
| TOTAL | 65.02 | 91.95 |

4 Trade receivables Ageing Schedule

As at 31 March 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|-------------------|-----------|-----------|-------------------|-------|
| | Less than 6 months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables – considered good | 14.22 | 40.83 | 9.97 | - | - | 65.02 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Undisputed Trade receivable – credit impaired | - | - | - | - | - | - |
| Disputed Trade receivables - considered good | - | - | - | - | - | - |
| Disputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed Trade receivables – credit impaired | - | - | - | - | - | - |
| | 14.22 | 40.83 | 9.97 | - | - | 65.02 |

As at 31 March 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|-------------------|-----------|-----------|-------------------|-------|
| | Less than 6 months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables – considered good | 91.95 | - | - | - | - | 91.95 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Undisputed Trade receivable – credit impaired | - | - | - | - | - | - |
| Disputed Trade receivables - considered good | - | - | - | - | - | - |
| Disputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed Trade receivables – credit impaired | - | - | - | - | - | - |
| | 91.95 | - | - | - | - | 91.95 |

5 Cash and Bank Balances

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------|----------------------|----------------------|
| Cash and Cash Equivalents | | |
| Balances with Banks | 7.18 | 0.46 |
| TOTAL | 7.18 | 0.46 |

6 Other Current Assets

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Current | | |
| (a) Advances to employees | - | 2.50 |
| (b) Advances to suppliers | 5.36 | 23.29 |
| (c) Balances with government authorities | 54.48 | 75.10 |
| TOTAL | 59.84 | 100.89 |



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KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED**Notes forming Part of the Financial Statements****7 Equity Share Capital**

(Amount in Rs. Lakhs, unless otherwise stated)

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|----------------------|-------|----------------------|-------|
| | No. of shares | Value | No. of shares | Value |
| Authorised: | | | | |
| Equity shares of ₹ 10/- each with voting rights | 50,000 | 5 | 50,000 | 5 |
| Issued, Subscribed and fully Paid: | | | | |
| Equity shares of ₹ 10/- each with voting rights | 50,000 | 5 | 50,000 | 5 |

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|-------|----------------------|-------|
| | No. of shares | Value | No. of shares | Value |
| Equity Shares | | | | |
| Fully paid shares allotted during the Period | 50,000 | 5 | 50,000 | 5 |
| Outstanding at the end of the period | 50,000 | 5 | 50,000 | 5 |

(ii) Terms/Rights attached to Equity Shares

- a. The company has only one class of equity shares having a par value of ₹ 10/- each per share. Each holder of equity shares is entitled to one vote per share.
- b. In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of Shares held by the Holding Company

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|----------------------|-----------------------------------|----------------------|-----------------------------------|
| | No. of shares held | % holding in that class of shares | No. of shares held | % holding in that class of shares |
| Kurlon Enterprise Limited | | | | |
| Equity shares of ₹ 10/- each with voting rights | 50,000 | 100.00% | 50,000 | 100.00% |

(iv) Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of Shareholder | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|-----------------------------------|----------------------|-----------------------------------|
| | No. of shares held | % holding in that class of shares | No. of shares held | % holding in that class of shares |
| Equity shares of ₹ 10/- each with voting rights Kurlon Enterprise Limited | 50,000 | 100.00% | 50,000 | 100.00% |

(v) Details of shares held by Promoters

| Class of shares / Name of Shareholder | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|-----------------------------------|----------------------|-----------------------------------|
| | No. of shares held | % holding in that class of shares | No. of shares held | % holding in that class of shares |
| Equity shares of ₹ 10/- each with voting rights Kurlon Enterprise Limited | 50,000 | 100.00% | 50,000 | 100.00% |



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED
Notes forming part of the Financial Statements

8 Other equity

(Amount in Rs. Lakhs, unless otherwise stated)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Retained earnings | | |
| Opening Balance | | |
| Profit / (Loss) attributable to owners of the Company | (393.84) | - |
| Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax) Dividend distributed during the year | (9.07) 16.44 | (393.84) - |
| Closing Balance | | |
| Capital Reserve Opening balance Addition to the reserve | (386.47) | (393.84) |
| Transfer/ utilization of reserve | - | - |
| Closing Balance | | |
| Investment In Equity Instruments fair valued through OCI | | |
| Opening balance Addition to the reserve | - | - |
| Transfer/ utilization of reserve | - | - |
| Income Tax effect on fair valuation of investment | - | - |
| Net surplus in the Investment valuation reserve | | |
| Total Reserves and Surplus | (386.47) | (393.84) |

9 Provisions

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------------|----------------------|----------------------|
| Non - Current Provision | | |
| - Provision for Gratuity | 21.46 | 1.60 |
| - Provision for Leave Encashment | 11.96 | 10.71 |
| Total | 33.42 | 12.31 |

10 Trade Payables

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Total outstanding dues to Micro, small and Medium Enterprises | - | - |
| Total outstanding dues of creditors other than Micro, small and Medium Enterprises | 372.11 | 330.46 |
| Total | 372.11 | 330.46 |

Ageing of trade payables

| Particulars | Outstanding for following periods from the due date of payment | | | | |
|--------------------------------------|--|-------------|-------------|-------------------|--------|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| March 31, 2023 | | | | | |
| Undisputed trade payables - MSME | - | - | - | - | - |
| Undisputed trade payables - Non MSME | 239.32 | 132.79 | - | - | 372.11 |
| Total | 239.32 | 132.79 | - | - | 372.11 |

Ageing of trade payables

| Particulars | Outstanding for following periods from the due date of payment | | | | |
|--------------------------------------|--|-------------|-------------|-------------------|--------|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| March 31, 2022 | | | | | |
| Undisputed trade payables - MSME | - | - | - | - | - |
| Undisputed trade payables - Non MSME | 330.46 | - | - | - | 330.46 |
| Total | 330.46 | - | - | - | 330.46 |

11 Other Financial Liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| Other Financial Liabilities Measured at Amortized Cost | | |
| Current | | |
| a. Deposit from Dealers | 48.39 | 18.00 |
| Total | 48.39 | 18.00 |

12 Other Current Liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| a. Advances received from customers | 8.79 | 157.94 |
| b. Statutory dues | | |
| - taxes payable (other than income taxes) | 14.58 | 23.68 |
| c. Salary Payable | 22.16 | 36.04 |
| Total | 45.53 | 217.66 |

13 Provisions

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------|----------------------|----------------------|
| Current Provision | | |
| Gratuity Payable | 1.04 | 31.32 |
| Bonus Payable | 10.10 | 11.46 |
| Leave Encashment Payable | 2.92 | 3.48 |
| Total | 14.06 | 46.26 |



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED**Notes forming part of the Financial Statements****14 Revenue from Operations**

(Amount in Rs. Lakhs, unless otherwise stated)

| Particulars | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|--------------------------------------|----------------------------------|--|
| Sale of products | 233.60 | 4590.30 |
| Less: Schemes & Rebates | -2.55 | -90.65 |
| Total Revenue from Operations | 231.05 | 4,499.65 |

15 Other Income

| Particulars | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|--|----------------------------------|--|
| (a) Interest Income, On Financial Assets at Amortized Cost | | |
| Reimbursement -expenses | 599.79 | - |
| Interest from banks on deposits | - | 0.02 |
| Interest Received on IT Refunds | 0.18 | - |
| Total Other Income | 599.97 | 0.02 |

16 a. Purchase of stock-in-trade

| Particulars | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|------------------|----------------------------------|--|
| Stock -in -Trade | 186.36 | 3,845.95 |
| | 186.36 | 3,845.95 |

b. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

| Particulars | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|--|----------------------------------|--|
| <u>Inventories at the beginning of the year:</u> | | |
| Stock-in-trade | 42.55 | 0.00 |
| | 42.55 | - |
| <u>Inventories at the end of the Period:</u> | | |
| Stock-in-trade | - | 42.55 |
| | - | 42.55 |
| Net (increase) / decrease | 42.55 | (42.55) |



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Notes forming part of the Financial Statements

17 Employee Benefits Expense

(Amount in Rs. Lakhs, unless otherwise stated)

| Particulars | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|---|----------------------------------|--|
| Salaries and wages | 268.89 | 376.25 |
| Contribution to provident and other funds | 9.99 | 14.56 |
| Employer Contribution Gratuity | 6.02 | 32.92 |
| Bonus and Leave encashment | 9.89 | 25.66 |
| Total | 294.79 | 449.39 |

18 Finance Cost

| Particulars | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|--------------|----------------------------------|--|
| Bank Charges | 0.01 | 0.07 |
| Total | 0.01 | 0.07 |

19 Other Expenses

| Particulars | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|-----------------------------|----------------------------------|--|
| Advertisement Expenses | 199.03 | 395.29 |
| Business promotion | 12.82 | 133.30 |
| Freight | - | 5.35 |
| Administrative charges | 40.88 | 2.37 |
| Legal and professional | 55.53 | 56.27 |
| Payment to auditors: | | |
| -For Statutory audit | 0.75 | 0.60 |
| Rates and taxes | 1.01 | 13.47 |
| Printing & Stationary | 0.11 | 0.06 |
| Travelling and conveyance | 5.95 | 33.86 |
| Sundry Debtors Written Off | 0.04 | - |
| Preliminary Expenses w/o | - | 0.08 |
| Miscellaneous Expenses | 0.26 | 0.00 |
| Total Other Expenses | 316.38 | 640.65 |



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED**Notes forming part of the Financial Statements**20 **Earnings per share has been computed as under:**

(Amount in Rs. Lakhs, unless otherwise stated)

Earnings per share

| Particulars | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|---|----------------------------------|--|
| Profit after Tax | 7.37 | -393.84 |
| Weighted average number of Equity shares outstanding -Basic (Nos. Lakhs) | 0.50 | 0.50 |
| Weighted average number of Equity shares outstanding- Diluted (Nos.Lakhs) | 0.50 | 0.50 |
| Earnings per share – Basic (₹) | 14.74 | -787.69 |
| Earnings per share – Diluted (₹) | 14.74 | -787.69 |
| Face Value of Equity Shares (₹) | 10/- | 10/- |

Note:

| Particulars | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|--|----------------------------------|--|
| Weighted average number of equity shares for Basic EPS (Nos. in Lakhs) | 0.50 | 0.50 |
| Weighted average number of equity shares for Diluted EPS (Nos. in Lakhs) | 0.50 | 0.50 |

21 **Contingent Liabilities & Capital Commitments**

During the Period ended, there are no capital commitments and contingent liabilities.

22 **Segment Reporting****Operating Segment:**

a) The Company is predominantly engaged in the business of trading in foam and related products. Considering the manner of review by the CODM in respect of

- Resources to be allocated to the segment and
- Segment financial performance, 'Foam & Related products' has been identified as the single operating segment.

b) the revenues from the customers which exceeds the 10% of Revenue from operations are as follows

- For the year ended 31 March 2023, from Kurlon enter prise Limited Rs.43.86 lakhs
- For the Period from January 18, 2021 to March 31, 2022, from "M/S. Geet Gunjan the Furnishing Nest" amounts to Rs.4,71.92 lakhs

b) **Geographical segment information:** Separate geographical segment information has not been disclosed as more than 100% of the Revenue is in the domestic market.



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED**Notes forming part of the Financial Statements**

(Amount in Rs. Lakhs, unless otherwise stated)

23 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' (the Act). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2023 has been made in the financial statements based on information received and available with the Company.

| Particulars | As at Mar 31, 2023 | As at Mar 31, 2022 |
|--|--------------------|--------------------|
| (i) The principal amount remaining unpaid to any supplier at the end of each accounting year; | - | - |
| (ii) The interest due thereon remaining unpaid to any supplier at the end of each accounting year; | - | - |
| (iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |
| (iv) The amount of interest due and payable for the period of delay in making payment (which has | - | - |
| (v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |

24 Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, a Company meeting the applicability threshold, need to spend at least 2% of average net profit for the immediately preceding three financial years on Corporate Social Responsibility(CSR) activities. The areas for CSR activities are as stated in Schedule VII of the Companies Act. These provisions are not applicable as the company does not qualify for the parameters required to be met in order to carry out the CSR activities.



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KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED
Notes forming part of the Financial Statements

25 Related party disclosures

a) List of Related Parties and Relationships

(Amount in Rs. Lakhs, unless otherwise stated)

| Relationship | Related Parties |
|---|---|
| Ultimate Holding Company | Kurlon Limited |
| Holding Company | Kurlon Enterprise Limited |
| Fellow Subsidiaries | Kurlon Retail Limited |
| | Starship Value chain and Manufacturing Private Limited (Formerly Starship Global VCT LLP)(w.e.f from March 21,2021) |
| Enterprises owned or significantly influenced by key management personnel /Directors and their relatives(Where transactions have taken place during the year) | Manipal Advertising Services Private Limited |
| | Manipal Travels Pvt Ltd |
| Key Management Personnel | Mr. T. Sudhakar Pai, Director Ms. Jaya S Pai, Director Ms. Jyothi Ashish Pradhan, Director |

b) Related Party transactions

| Particulars | Key Management personnel and their Relatives | Ultimate Holding Company | Enterprises owned or significantly influenced by Key Management Personnel / Directors and their relatives | Fellow Subsidiaries | Holding Company | Key Management personnel and their Relatives | Ultimate Holding Company | Enterprises owned or significantly influenced by Key Management Personnel / Directors and their relatives | Fellow Subsidiaries | Holding Company |
|--------------------------------------|--|--------------------------|---|---------------------|-----------------|--|--------------------------|---|---------------------|-----------------|
| | | | | | | | | | | |
| Transactions during the Period: | | | | | | | | | | |
| Income | | | | | | | | | | |
| Sales | - | (0.26) | - | - | -43.86 | - | - | - | 1.21 | 8.81 |
| Reimbursement of Expenses | - | - | - | - | 599.79 | - | - | - | - | - |
| Expenses | | | | | | | | | | |
| Purchases | - | 109.78 | - | - | 76.56 | - | - | - | - | 3,753.93 |
| Advertisement Expenses | - | - | - | - | - | - | - | 0.22 | - | - |
| Travelling Expenses | - | - | 1.34 | - | - | - | - | 32.35 | - | - |
| Administrative Services | - | - | 40.87 | - | - | - | - | - | - | - |
| Outstanding as at Period end: | | | | | | | | | | |
| Trade Receivable | - | - | - | - | - | - | - | - | 1.43 | - |
| Trade Payable | - | 129.54 | 18.68 | - | 156.99 | - | - | 0.22 | - | 300.29 |



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Notes forming part of the Financial Statements

(Amount in Rs. Lakhs, unless otherwise stated)

26 Financial Instruments

A) Capital Management

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The company monitors the return on capital as well as the level of dividends on its equity shares. The company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

| Particulars | As at | As at |
|---|-----------------|-----------------|
| | 31-Mar-23 | 31-Mar-22 |
| Total equity attributable to the equity shareholders of the company | (381.47) | (388.84) |
| As a percentage of total capital | 100% | 100% |
| Current borrowings | - | - |
| Non-current borrowings | - | - |
| Total borrowings | - | - |
| As a percentage of total capital | 0% | 0% |
| Total Capital | (381.47) | (388.84) |

The company is predominantly equity financed which is evident from the capital structure table.

B) Categories of financial instruments

The carrying amounts and fair values of the financial instruments by class are as follows:

| Particulars | Carrying amount | Carrying amount |
|-----------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Financial assets | | |
| Measured at Amortized Cost | | |
| Current assets | | |
| - Trade receivables | 65.02 | 91.95 |
| - Cash and cash equivalents | 7.18 | 0.46 |
| Total | 72.20 | 92.41 |
| Financial Liabilities | | |
| Measured at Amortized Cost | | |
| Current liabilities | | |
| - Trade payables | 372.11 | 330.46 |
| - Other financial liabilities | 48.39 | 18.00 |
| Total | 420.50 | 348.46 |

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The company has disclosed financial instruments which comprise of deposits, trade and other payables, trade and other receivables, cash and cash equivalents and other bank balances at carrying value because their carrying value are a reasonable approximation of the fair values due to their short term nature.
2. Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken into the account for the expected losses of these receivables.

C) Financial Risk Management

The company's principal financial liabilities, comprise of deposits, trade and other payables.

The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The company's financial risk management is an integral part of how to plan and execute its business strategies. The company is exposed to market risk, credit risk and liquidity risk.

The company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the company are accountable to the Board of Directors and Audit Committee.

This process provides assurance to company's senior management that the company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with company policies and company risk objective.



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED**Notes forming part of the Financial Statements****(Amount in Rs. Lakhs, unless otherwise stated)**

The management reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk. Financial instruments affected by market risks include borrowings, security deposits, investments and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at March 31, 2023. The analysis exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2023.

i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from various countries. The company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

This is not applicable as there is no foreign currency exposure on the company.

ii) Interest Rate Risk

Interest rate is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises of trade payables and security deposits; however these are not exposed to risk of fluctuation in market interest rates as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

Interest rate risk management

Interest rate risk arises from borrowings. Debt issued at variable rates exposes the company to cash flow risk. Debt issued at fixed rate exposes the company to fair value risk. At the reporting date there are no interest-bearing financial instruments of the company, so this is not applicable.

Interest rate sensitivity analysis

Financial instruments affected by interest rate changes include Secured Long term loans from banks, Secured Long term loans from others and Secured Short term loans from banks. This is not applicable for the company as there are no borrowings.

(b) Credit Risk :

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

i) Trade Receivables

Customer credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating review and individual credit limits are defined in accordance with this assessment. The company regularly monitors its outstanding customer receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED**Notes forming part of the Financial Statements**

(Amount in Rs. Lakhs, unless otherwise stated)

(Amount in Rs. Lakhs, unless otherwise stated)

ii) Financial instruments and cash & bank deposits

Credit risk from balances with banks and financial institutions is managed by the company's finance department in accordance with the company's policy. Investments of surplus funds are made in bank deposits, bonds and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the company.

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------|-------------------------|-------------------------|
| Current assets | | |
| - Trade receivables | 65.02 | 91.95 |
| - Cash and cash equivalents | 7.18 | 0.46 |
| Total | 72.20 | 92.41 |

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis and loss allowance of trade receivables given below has been considered from the date the invoice falls due:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------|-------------------------|-------------------------|
| Not Due | - | - |
| Due from 0 to 180 days | 14.22 | 91.95 |
| Due for more than 180 days | 50.80 | - |
| Less: Loss Allowance | - | - |
| Total | 65.02 | 91.95 |

(c) Liquidity risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. The company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits. Processes and policies related to such risks are overseen by senior management. Management monitors the company's liquidity position through rolling forecasts on the basis of expected cash flows. The company assessed the concentration of risk with respect to its debt and concluded it to be very low.



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KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED**Notes forming part of the Financial Statements**

(Amount in Rs. Lakhs, unless otherwise stated)

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date:

| Particulars | Carrying Value | Less than 1 year | 1 to 5 years |
|-------------------------------------|----------------|------------------|---------------|
| As at March 31, 2023 | | | |
| Trade payables | 372.11 | 239.32 | 132.79 |
| Other current financial liabilities | 48.39 | 48.39 | - |
| Total | 420.50 | 287.71 | 132.79 |

| Particulars | Carrying Value | Less than 1 year | 1 to 5 years |
|-------------------------------------|----------------|------------------|--------------|
| As at March 31, 2022 | | | |
| Trade payables | 330.46 | 330.46 | - |
| Other current financial liabilities | 18.00 | 18.00 | - |
| Total | 348.46 | 348.46 | - |

D) Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Disclosures of fair value measurement hierarchy for financial instruments are given below:

| Particulars | Carrying amount/Fair value | | | Carrying amount/Fair value | | |
|---------------------------------------|----------------------------|-----|---------------|----------------------------|-----|---------------|
| | As at March 31, 2023 | | | As at March 31, 2022 | | |
| | L-1 | L-2 | L-3 | L-1 | L-2 | L-3 |
| Financial assets | | | | | | |
| a) Measured at Amortised Cost | | | | | | |
| Current assets | | | | | | |
| - Trade receivables | - | - | 65.02 | - | - | 91.95 |
| - Cash and cash equivalents | - | - | 7.18 | - | - | 0.46 |
| Total | - | - | 72.20 | - | - | 92.41 |
| Financial liabilities | | | | | | |
| a) Measured at Amortised Cost | | | | | | |
| Current liabilities | | | | | | |
| - Trade payables | - | - | 372.11 | - | - | 330.46 |
| - Other current financial liabilities | - | - | 48.39 | - | - | 18.00 |
| Total | - | - | 420.50 | - | - | 348.46 |

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The management assessed that the carrying value of loans to employees and security deposits approximates the fair value presented.



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED**Notes forming part of the Financial Statements**

(Amount in Rs. Lakhs, unless otherwise stated)

27 Employee benefits**(a) Defined Benefit plans:**

Gratuity : Payable on separation as per the Payment of Gratuity Act, 1972 as amended @ 15 days pay, for each completed year of service to eligible employees who render continuous service of 5 years or more.

(b) Defined Contribution plan:

Company's employees are covered by Provident Fund and Employees State Insurance Scheme/Fund, to which the company makes a defined contribution measured as a fixed percentage of salary. During the period, amount of ₹9.99 lakhs (Previous Year: ₹ 14.53 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

| Particulars | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|---|----------------------------------|--|
| Employer's contribution towards Provident Fund (PF) | 9.99 | 14.53 |

(c) Other disclosures of Defined Benefit plans as required under Ind AS-19 are as under**i. Reconciliation of the opening and closing balances of Defined Benefit Obligation:**

| Particulars | Gratuity | |
|---|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Present Value of Defined Benefit Obligation at the beginning of year | 32.92 | - |
| Interest cost | 2.47 | - |
| Current Service Cost | 3.55 | 32.92 |
| Past Service Cost | - | - |
| Benefit Paid | - | - |
| Actuarial (Gain) / Loss arising from Change in Demographic Assumptions | - | - |
| Actuarial (Gain) / Loss arising from Change in Financial Assumptions | (0.06) | - |
| Actuarial (Gain) / Loss arising from Changes in Experience Adjustments | (16.38) | - |
| Present value of the Defined Benefit Obligation at the end of Period | 22.50 | 32.92 |

ii. Net Defined Benefit recognized in the Statement of Profit and Loss.

| Particulars | Gratuity | |
|---|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Current Service Cost | 3.55 | 32.92 |
| Past Service Cost | - | - |
| Interest cost | 2.47 | - |
| Interest income on plan asset | - | - |
| Other Costs | - | - |
| Net Defined Benefit recognized in Statement of Profit and Loss | 6.02 | 32.92 |

iii. Net asset / (liability) recognized in the Balance Sheet

| Particulars | Gratuity | |
|--|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Present value of Defined Benefit obligation at the end of the period | 22.50 | 32.92 |
| Fair value of plan assets | - | - |
| Net Defined Benefit recognized in the Balance Sheet | (22.50) | (32.92) |

iv. Recognized in Other Comprehensive Income.

| Particulars | Gratuity | |
|---|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Actuarial (Gain) / Loss arising from Change in Demographic Assumptions | - | - |
| Actuarial (Gain)/Loss on arising from Change in Financial Assumption | (0.06) | - |
| Actuarial (Gain)/Loss on arising from Changes in Experience Adjustments | (16.38) | - |
| Return on Plan Assets (Greater)/Less than Discount rate | - | - |
| Net actuarial Loss | (16.44) | - |

KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Notes forming part of the Financial Statements

(Amount in Rs. Lakhs, unless otherwise stated)

v. Sensitivity Analysis*

a) Impact of the change in the discount rate

| Particulars | Gratuity | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Present value of the Defined Benefit Obligation at the end of Period | 22.50 | 32.92 |
| a) Impact due to increase of 1% (PY-NIL.%) | (2.38) | (2.59) |
| b) Impact due to decrease of 1% (PY-NIL.%) | 2.82 | 3.02 |

b) Impact of the change in the salary increase

| Particulars | Gratuity | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Present value of the Defined Benefit Obligation at the end of Period | 22.50 | 32.92 |
| a) Impact due to increase of 1% (PY-NIL.%) | 2.72 | 2.93 |
| b) Impact due to decrease of 1% (PY-NIL.%) | (2.33) | (2.55) |

*Sensitivities due to mortality & withdrawals are not material & hence impact of change not presented.

• Sensitivities as to rate of inflation, rate of increase of pension in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

vi. Maturity Profile.

| Particulars | Gratuity | |
|-----------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| 0 to 1 year | 1.04 | 1.60 |
| 1 to 2 Year | 0.98 | 1.51 |
| 2 to 3 Year | 0.93 | 1.43 |
| 3 to 4 Year | 0.88 | 1.36 |
| 4 to 5 Year | 0.84 | 10.31 |
| 6-10 Years | 4.81 | 4.37 |
| 10 Year onwards | 13.02 | 12.34 |

viii. Actuarial Assumptions:

Principal assumptions used for actuarial valuation are:

| Particulars | Gratuity | |
|--|------------------------------|------------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Method used | Projected unit credit method | Projected unit credit method |
| Discount rate | 7.52% | 7.50% |
| Salary Escalation | 7.00% | 7.00% |
| Mortality Rate | IALM (2012-14) | IALM (2012-14) |
| Withdrawal rate up to 30/44 and above 44 years | 5% | 5% |
| Rate of return on plan assets | 0.00% | 0.00% |



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Notes forming part of the Financial Statements

28. Ratio analysis and its elements

| Ratio | Numerator | Denominator | As at March 31, 2023 | For the Period from Date of Incorporation (18th Jan 21) to 31 March 2022 | % change | Reason for Variance |
|--|---|--|----------------------|--|----------|---|
| a) Current ratio (in times) | Total current assets | Total current liabilities | 0.28 | 0.39 | -28.6% | There is decrease in current assets and current liabilities is mainly due to decrease in operations significantly and trade payables have not been paid off which resulted in increase in current liabilities |
| b) Debt-equity ratio (in times) | Borrowings (current & non-current) | Total equity | NA | NA | NA | NA |
| c) Debt service coverage ratio (in times) | Earnings for debt service = Net profit after taxes + Depreciation & Amortisation Expenses | Debt service = Finance Cost + Current maturity of borrowings | NA | NA | NA | NA |
| d) Return on equity ratio (in %) | Net profits after taxes | Average total equity | (0.02) | 1.01 | -101.9% | Profit has increased during the current year due to actuarial gain in gratuity valuation |
| e) Inventory turnover ratio (in times) | Cost of goods sold | Average inventory | 10.76 | 89.39 | -88.0% | The ratios has been decreased during the year due to significant decrease in operations. |
| f) Trade receivables turnover ratio (in times) | Revenue from operations | Average trade receivable | 2.94 | 49.92 | -94.1% | The ratio has been decreased, due decrease in operations, sales has been decreased during the current year |
| g) Trade payables turnover ratio (in times) | Net Purchases | Average trade payables | 0.53 | 11.51 | -95.4% | The ratio has been decreased during the year due to significant decrease in operations. |
| h) Net capital turnover ratio (in times) | Revenue from operations | Working capital = Total current assets - Total current liabilities | (0.66) | (12.19) | -94.6% | Due decrease in operations, sales has been decreased and both current assets and current liabilities have decreased |
| i) Net profit ratio (in %) | Net profit after tax | Net sales = Total sales - sales return | 0.03 | (0.09) | -136.4% | Profit has increased due to increase in actuarial gains on account of gratuity and as there was loss during the prior period |
| j) Return on capital employed (in %) | Earnings before interest and taxes | Capital employed = Total equity + borrowings | 0.02 | 1.01 | -97.7% | The decrease in ratio is mainly due to decrease in revenue from operations |
| k) Return on investment | Interest (Finance Income) | Investment | NA | NA | NA | NA |



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KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED**Notes forming part of the Financial Statements**

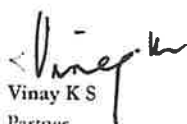
- 29 The Company has accumulated losses of Rs. 386.47 lakhs as at March 31, 2023 and its net worth as at that date is Rs. 381.47 lakhs (negative) and its current liabilities exceed current assets. Further Kurlon Enterprise Limited (Holding Company) would support in the operations of the Company whenever required as considering the synergies and business nature, it would provide the desired requirements to ensure smooth conduct of business by the Company. Accordingly, the financial statements have been prepared on a going concern basis.
- 30 **Other Statutory Information**
- i The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
 - ii The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies ('ROC') beyond the statutory period.
 - iii The Company has not been declared as willful defaulter by any bank or financial institutions or other lenders.
 - iv The Company does not own any immovable property and as such, there exists no circumstance, where the title deeds of immovable properties of the Company are held in the name of a person, other than the Company.
 - v The Company have not traded or invested in Crypto currency or Virtual Currency during the financial period.
 - vi The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
 - vii The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
 - viii The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
 - ix The Company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
 - x The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received the Indian Parliament and Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

As per our report of even date attached

For ASA & Associates LLP

Chartered Accountants

Firm Registration No.009571N/500006



Vinay K S
Partner

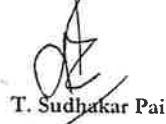
Membership No. 223085



Place: Bengaluru

Date: 25.07.2023

For and on behalf of the Board

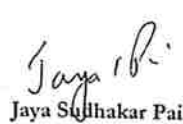
Komfort Universe Products And Services Limited
U52520KA2021PLC143244


T. Sudhakar Pai
Director

DIN- 00043298

Place: Bengaluru

Date: 25.07.2023



Jaya Sudhakar Pai
Director

DIN- 00030515

Place: Bengaluru

Date: 25.07.2023



INDEPENDENT AUDITORS' REPORT

To

The Members of **M/s. STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED (Formerly Known as STARSHIP MANUFACTURING & SERVICES PRIVATE LIMITED)**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **M/s. STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED (Formerly known as STARSHIP MANUFACTURING & SERVICES PRIVATE LIMITED)** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income) for the period from 09.10.2020 to 31.03.2021, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that day, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the India Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2016, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its **LOSS** for the above referred period, total comprehensive income, changes in equity and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SA) specified under Section 143 (10) of the Act. 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 the code of ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and Cash Flows of the Company in accordance with the IND AS and other accounting principles generally accepted in India.



This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and 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, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also 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 SAs 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced.

We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with relevant books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the IND AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;



(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, the said provision is not applicable to the Company.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

a. The Company does not have any pending litigations which would impact its financial position;

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For VASUDEV PAI & CO.
Chartered Accountants
Firm Regn No: 004560S

J. Vasudev Pai.



T VASUDEV PAI
Proprietor
Membership Number : 020906

UDIN : 21020906AAAALT1077

Place of Signature : Bangalore
Date of Report : 28.07.2021



ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of **M/s. STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED (Formerly known as STARSHIP MANUFACTURING & SERVICES PRIVATE LIMITED)** of even date

In our Opinion and according to the information and explanations given to us and on the basis of our verification of the records of the Company, we report that

- i. The Company does not have any fixed assets, hence clause 3(i) of the Order is not applicable to the Company.
- ii. The Company does not have any inventory, hence clause 3(ii) of the Order is not applicable to the Company.
- iii. The Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under Section 189 of the Act. Accordingly, clause 3(iii) of the order is not applicable.
- iv. During the year, the Company has not granted any loans or provided any guarantees or given any security or made any investments to which the provisions of Section 185 and 186 of the Act. Accordingly, clause 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposits during the year and therefore, the provisions of the clause 3(v) of the Order is not applicable.
- vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the activities of the company and accordingly clause 3(vi) of the order is not applicable.



vii. In respect of statutory dues:

- a. The amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Goods and Service Tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

No undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Goods and Service Tax and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

- b. There are no dues of Income-Tax, Goods and Service Tax and other applicable statutory dues which have not been deposited on account of any dispute.

viii. The Company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, clause 3(viii) of the Order is not applicable.

ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year. Accordingly, clause 3(ix) of the Order is not applicable.

x. No material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. The Company has not paid/ provided the managerial remuneration during the year. Hence, the clause 3(xi) of the Order is not applicable to the Company.

xii. The Company is not a Nidhi Company and accordingly, clause 3(xii) of the Order is not applicable.



- xiii. The Related Party transactions entered in to by the Company during the year are in ordinary course of business and on an arms length basis and in compliance with provisions of Section 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Further, the provisions of Section 177 of the Act, are not applicable as the Company is not a listed/ such other class of the company as prescribed by the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(xiv) of the Order is not applicable.
- xv. The Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For VASUDEV PAI & CO.
Chartered Accountants
Firm Regn No: 004560S

J. Vasudev Pa.



T VASUDEV PAI

Proprietor

Membership Number : 020906

UDIN : 21020906AAAALT1077

Place of Signature : Bangalore

Date of Report : 28.07.2021

**ANNEXURE - B****TO THE INDEPENDENT AUDITOR'S REPORT**

referred to in paragraph 2(f) under 'Report on other Legal and Regulatory Requirements section of our report to the Members of M/s. M/s. STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED (Formerly known as STARSHIP MANUFACTURING & SERVICES PRIVATE LIMITED) of even date

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **M/s. M/s. STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED (Formerly known as STARSHIP MANUFACTURING & SERVICES PRIVATE LIMITED)** ("the Company"), as of March 31, 2021, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.



Auditor's Responsibility:

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that –

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and;



3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and according to the information's and explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For VASUDEV PAI & CO.
Chartered Accountants
Firm Regn No: 004560S

J. Vasudev Pai



T VASUDEV PAI

Proprietor

Membership Number : 020906

UDIN : 21020906AAAALT1077

Place of Signature : Bangalore

Date of Report : 28.07.2021

STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED

(Formerly Known as STARSHIP MANUFACTURING & SERVICES PRIVATE LIMITED)

CIN : U36900KA2020PTC139535

N-301, 3RD FLOOR, NORTH BLOCK, MANIPAL CENTRE, BANGALORE-560042

STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

(Amount in Rs.)

| Particulars | Note No. | As at March 31, 2021 |
|-------------------------------------|----------|----------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| (a) Financial Assets | | |
| i) Cash and Cash Equivalents | 3 | 43,082 |
| TOTAL CURRENT ASSETS | | 43,082 |
| EQUITY & LIABILITIES | | |
| EQUITY | | |
| (a) Equity Share Capital | 4 | 50,000 |
| (b) Other Equity | 5 | (16,919) |
| TOTAL EQUITY | | 33,082 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| (a) Financial Liabilities | | |
| Trade Payables | 6 | 10,000 |
| TOTAL CURRENT LIABILITIES | | 10,000 |
| TOTAL EQUITY AND LIABILITIES | | 43,082 |
| | | - |

The accompanying notes forming part of the standalone financial statements

For and on Behalf of Board of Directors of

As per our report of even date
For VASUDEV PAI & CO.
Chartered Accountant
Firm Registration No. 004560S

J M Panday
J M PANDAY
DIRECTOR
DIN : 00232768

Ashish Pradhan
ASHISH V PRADHAN
DIRECTOR
DIN : 08630024

J. Vasudeva Pai.
T.VASUDEV PAI
PROPRIETOR
Membership No : 020906
UDIN : 21020906AAAALT1077



Place: Bangalore
Date: 28.07.2021

Place: Bangalore
Date: 28.07.2021

1199

STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED

(Formerly Known as STARSHIP MANUFACTURING & SERVICES PRIVATE LIMITED)

CIN : U36900KA2020PTC139535

N-301, 3RD FLOOR, NORTH BLOCK, MANIPAL CENTRE, BANGALORE - 560042

STATEMENT OF STANDALONE PROFIT & LOSS FOR THE PERIOD ENDED MARCH 31, 2021

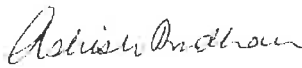
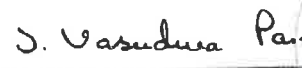
(Amount in Rs.)

| Particulars | | Note No. | For the Period ended 31st March 2021 |
|-------------|--|----------|--------------------------------------|
| I | Income | | |
| | Revenue from Operations | | - |
| | Total Income | | - |
| II | Expenses: | | |
| | Other Expenses | 7 | 16,919 |
| | Total Expenses | | 16,919 |
| III | Profit Before Tax (I-II) | | (16,919) |
| IV | Tax Expense: | | |
| | Current Tax | | - |
| | Total Tax Expense: | | - |
| V | Profit/Loss for the period (III-IV) | | (16,919) |
| | Other Comprehensive Income | | |
| | Total Comprehensive Income for the period | | (16,919) |
| VI | Earnings per Equity Share: | 8 | |
| | (i) Basic | | (3.38) |
| | (ii) Diluted | | (3.38) |
| | SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS | 1&2 | |

The accompanying notes forming part of the standalone financial statements

For and on Behalf of Board of Directors of

As per our report of even date
For VASUDEV PAI & CO.
Chartered Accountant
Firm Registration No. 004560S

J M PANDAY
DIRECTOR
DIN : 00232768

ASHISH V PRADHAN
DIRECTOR
DIN : 08630024

T. VASUDEV PAI
PROPRIETOR
Membership No : 020906
UDIN : 21020906AAAALT1077Place: Bangalore
Date: 28.07.2021Place: Bangalore
Date: 28.07.2021

STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED

(Formerly Known as STARSHIP MANUFACTURING & SERVICES PRIVATE LIMITED)

CIN : U36900KA2020PTC139535

N-301, 3RD FLOOR, NORTH BLOCK, MANIPAL CENTRE, BANGALORE - 560042

STANDALONE CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2021

(Amount in Rs.)

| Particulars | Period ended March 31, 2021 |
|---|--------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | |
| Net Profit /(Loss) before Tax | (16,919) |
| Operating Loss before changes in Working Capital | (16,919) |
| Decrease / (Increase): | |
| - Trade Payable | 10,000 |
| Net Cash generated from Operations | (6,919) |
| Current tax | - |
| Net Cash used in Operating activities | (6,919) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | |
| (Purchase) / Sale of Investments- Property | - |
| Net Cash generated from Investing Activities | - |
| C. CASH FLOW FROM FINANCING ACTIVITIES: | - |
| Increase in Share Capital | 50,000 |
| Net Cash generated from Financing Activities | 50,000 |
| D. TOTAL INCREASE OR DECREASE IN CASH & CASH EQUIVALENTS | |
| DURING THE PERIOD/ YEAR (A to C) | 43,082 |
| | |
| | |

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| Particulars | Period ended March 31, 2021 |
|--|--------------------------------|
| E. Total increase / decrease in Cash & Cash Equivalents | 43,082 |
| Cash & Cash Equivalents at the beginning of the period | - |
| Cash & Cash Equivalents at the end of the year | 43,082 |
| Components of Cash and Cash Equivalents | |
| Cash on hand | - |
| Balances with Scheduled Banks: | |
| - In Current Accounts | 43,082 |
| Total Cash and Cash Equivalents | 43,082 |

Notes :

1. All figures in bracket are outflow.
2. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
3. The cash flow statement has been prepared under Indirect Method as per Ind AS 7 "Statement of Cash Flows" as under Section 133 of Companies Act, 2013.

The accompanying notes forming part of the standalone financial statements

For and on Behalf of Board of Directors of

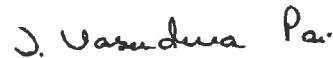
As per our report of even date
For VASUDEV PAI & CO.
Chartered Accountant
Firm Registration No. 004560S



J M PANDAY
DIRECTOR
DIN : 00232768



ASHISH V PRADHAN
DIRECTOR
DIN : 08630024



T.VASUDEV PAI
PROPRIETOR
Membership No : 020906
UDIN : 21020906AAAALT1077



Place: Bangalore
Date: 28.07.2021

Place: Bangalore
Date: 28.07.2021

STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED

(Formerly Known as STARSHIP MANUFACTURING & SERVICES PRIVATE LIMITED)

CIN : U36900KA2020PTC139535

N-301, 3RD FLOOR, NORTH BLOCK, MANIPAL CENTRE, BANGALORE - 560042

STANDALONE STATEMENT OF CHANGES IN EQTY FOR THE PERIOD ENDED MARCH 31, 2021**A. Equity Share Capital**

(Amount in ₹)

| Equity shares of INR 10 each Issued, Subscribed and Fully paid | No. of Shares | Amount |
|--|---------------|--------|
| As at 31st March 2020 | - | - |
| Increase/(Decrease) during the period | 5,000 | 50,000 |
| As at 31st March 2021 | 5,000 | 50,000 |

B. Other Equity

(Amount in Rs.)

| | March 31, 2021 |
|--|-----------------|
| i) Retained Earnings | |
| Balances as per last Financial Statements | - |
| Transfer from the Statement of Profit & Loss | (16,919) |
| As at 31st March 2021 | (16,919) |

The accompanying notes are an integral part of these financial statements

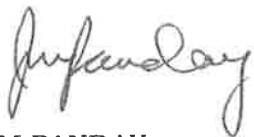
For and on Behalf of Board of Directors of

As per our report of even date

For VASUDEV PAI & CO.

Chartered Accountant

Firm Registration No. 004560S

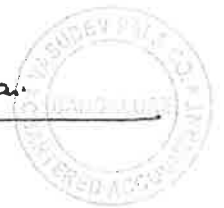


J M PANDAY
DIRECTOR
DIN : 00232768

ASHISH V PRADHAN
DIRECTOR
DIN : 08630024



T.VASUDEV PAI
PROPRIETOR
Membership No : 020906
UDIN : 21020906AAAALT1077



Place: Bangalore
Date: 28.07.2021

Place: Bangalore
Date: 28.07.2021

STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED

(Formerly Known as STARSHIP MANUFACTURING & SERVICES PRIVATE LIMITED)

CIN : U36900KA2020PTC139535

N-301, 3RD FLOOR, NORTH BLOCK, MANIPAL CENTRE, BANGALORE - 560042

Notes forming part of the standalone financial statements for the period ended March 31, 2021

Accounting Policies**1 Corporate Information**

Starship Manufacturing & Services Private Limited was incorporated in Karnataka on 09.10.2020. The Company is a wholly owned subsidiary company of Kurlon Enterprise Limited and is engaged in the business as a manufacturer, designers, buyers, sellers, importers, exporters, workers, transporters, suppliers of all types of home comfort products, home decor items including furniture, mattresses, pillows, cushions, perfumers on retail and to manufacture of all types of furniture equipment appliances for domestic, office, industrial as well as on wholesale basis in India as well as outside India.

2 Significant Accounting Policies**2.1 Statement of compliance**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS" notified under the Companies (Indian Accounting Standards) Rules, 2015 for the first time with effect from October 09, 2020 up to the period ended March 31, 2021. The Company has prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies, Act, 2013 read together with paragraph 7 of Companies Rules, 2014 ("Indian GAAP") during the period.

2.2 Basis of Preparation and Presentation

These standalone financial statements are prepared in accordance with Indian Accounting Standard 34 (Ind AS 34), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transactions to sell the asset or transfer the liability takes place either in the principle market for the asset or liability, or in the absence of principle market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability and the assumptions the market participants would consider when pricing the asset or liability at the measurement date, assuming that market participants act in their best economic interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Use of Estimates and Judgement

In preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS, management of the Company has made estimates, judgements and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures relating to contingent liabilities as at the date of the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively, judgements are made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an ongoing basis.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year in respect of percentage of completion of contracts and recognition of probable loss, useful lives of property, plant and equipment, provision for income tax and valuation of deferred tax assets/ liabilities, provision for warranty and other provisions and contingent liabilities.

Useful lives of Property, Plant and Equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense prospectively.

Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation arising out of past events and it is probable that an outflow of economic resources would be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements but are disclosed appropriately. A contingent asset is neither recognised nor disclosed in the financial statements.

2.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when in the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of Govt. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when (i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, (ii) effective control over the goods sold, (iii) the amount of revenue can be measured reliably; (iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sales returns are recognized as and when ascertained and are reduced from the sales turnover of the year. Amounts disclosed as revenue are net of Sales Tax, Goods & Service Tax, trade allowances, rebates and value added items.

Other income

Interest income- Interest Income is recognised and accounted on the basis of the effective Interest rate method.

Dividend Income- Dividend income is accounted for when the right to receive is established.

2.5 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ' Profit before tax ' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years (Temporary Differences) and items that are never taxable or deductible (Permanent Differences). The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deffered Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6 Property, Plant and Equipment

Property, plant and equipment are stated at costs less accumulated depreciation (other than freehold land) and impairment loss, if any.

The cost includes purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Lease rentals and premium for lease hold are amortized over the primary lease period.

Depreciation is provided for property, plant and equipment on the straight-line method over the estimated useful life from the date the assets are ready for intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.7 Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Intangible assets are amortized on a straight line basis over their estimated useful lives from the date that they are available for use.

The estimated useful lives of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss arising from Derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised/disposed.

2.8 Impairment

Financial assets (other than a fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Non-Financial Assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

2.9 Inventory

Items of Inventories are valued at the lower of cost and the net realizable value. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Cost of inventories are determined on a weighted average basis.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.11 Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A) Financial Assets

Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Financial Assets at Amortized Cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value Through Profit and Loss (FVTPL)

Financial assets are measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognized in statement of profit and loss.

B) Financial Liabilities and Equity

Financial Liabilities at Amortized Cost

Financial liabilities are measured at amortized cost using effective interest method.

Equity Instruments

An equity instrument is contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

2.12 Earnings Per Share (EPS)

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

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Notes forming part of the Standalone Financial Statements**3 Cash and Cash Equivalents**

(Amount in ₹)

| Particulars | As at March 31, 2021 |
|------------------------|----------------------------------|
| | Cash and Cash Equivalents |
| (a) Balances with Bank | |
| i) In Current Accounts | 43,082 |
| TOTAL | 43,082 |

4 Equity Share Capital

(Amount in ₹)

| Particulars | As at March 31, 2021 | |
|--|----------------------|--------|
| | No. of shares | Value |
| Authorised: | | |
| Equity shares of ₹ 10/- each with voting rights | 5,000 | 50,000 |
| Issued, Subscribed and Fully Paid: | | |
| Equity shares of Rs.10/- each with voting rights | 5,000 | 50,000 |

(i) Reconciliation of Number of Shares Outstanding at the beginning and at the end of the reporting period

(Amount in ₹)

| Particulars | As at March 31, 2021 | |
|--|----------------------|---------------|
| | No. of shares | Value |
| Equity Shares | | |
| At the beginning of the year | - | - |
| Fully paid shares allotted during the year | 5,000 | 50,000 |
| Outstanding at the end of the year | 5,000 | 50,000 |

(ii) **Details of shares held by the Holding Company, the Ultimate Holding Company, their Subsidiaries and Associates:**

| Particulars | No. of Shares | | |
|--|----------------------------------|---|-----------------------------------|
| | Equity Shares with Voting rights | Equity Shares with Differential Voting rights | % holding in that class of shares |
| As at March 31, 2021 | | | |
| Kurlon Enterprise Limited - Holding Company Equity shares of Rs.10/- each voting rights | 4990 | - | 99.80% |
| Others holding on behalf of Kurlon Enterprises Ltd as nominee | 10 | | 0.20% |
| | 5000 | | 100.00% |

(iii) **Details of shares in the Company held by each shareholder holding more than 5% shares:**

| Class of shares / Name of Shareholder | As at March 31, 2021 | |
|---|----------------------|-----------------------------------|
| | No. of shares held | % holding in that class of shares |
| Equity shares of ₹ 10/- each with voting rights | | |
| Kurlon Enterprise Limited | 4990 | 99.80% |
| Others holding on behalf of Kurlon Enterprises Ltd as nominee | 10 | 0.20% |
| | 5000 | 100.00% |

(iv) **Terms/Rights attached to Equity Shares**

a. The company has only one class of equity shares having a par value of ₹ 10/- each per share. Each holder of equity shares is entitled to one vote per share.

b. In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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5 Other Equity

(Amount in ₹)

| Particulars | As at March 31, 2021 |
|---|-------------------------|
| Retained Earnings | |
| Balance at the beginning of the Year | - |
| Add: Transfer from the Statement of Profit & Loss | (16,919) |
| Closing Balance | (16,919) |

6 Trade Payables - Current

(Amount in ₹)

| Particulars | As at March 31, 2021 |
|--|-------------------------|
| Total outstanding dues of creditors other than ME & SE | 10,000 |
| TOTAL | 10,000 |

7 OTHER EXPENSES

(Amount in ₹)

| Particulars | For the period ended March 31, 2021 |
|----------------------------------|---|
| Auditor Remuneration | |
| - For Audit Fees | 10,000 |
| Bank Charges | 268 |
| Preliminary Expenses written off | 6,651 |
| TOTAL | 16,919 |

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Notes forming part of the Standalone financial statements

8. Earnings Per Share has been computed as under:**Earnings Per Share**

| Particulars | For the period ended March 31, 2021 |
|---|---|
| Profit After Tax | (16,919) |
| Weighted average number of Equity Shares Outstanding -Basic | 5,000 |
| Weighted average number of Equity Shares Outstanding- Diluted | 5,000 |
| Earnings Per Share – Basic (₹)* | (3.38) |
| Earnings Per Share – Diluted (₹)* | (3.38) |
| Face Value of Equity Shares (₹) | 10/- |

9. Disclosure required under Section 22 of MS & ME Development Act, 2006

Based on the information available with the company and the nature of transaction with Micro, Small and Medium Enterprises, there are no dues which are outstanding for more than 45 days as at March 31, 2021 to these enterprises. Further, no interest has been paid or payable during the year under the terms of the MSMED Act 2006.

10 - Related Party disclosures

The Company material related party transactions and outstanding balances are with the Key managerial personnel and directors.

A) Retated parties with relationships

| Relationship | Related Parties |
|--|--|
| Holding Company | Kurlon Enterprise Limited |
| Ultimate Holding Company | Kurlon Limited |
| Key Management Personnel | 1. Mr. Jamshed Minoo Panday 2. Mr. Ashish Vilas Pradhan |
| Enterprises owned or significantly influenced by key management personnel /Directors and their relatives | Maha Rashtra Apex Corporation Ltd Manipal Holdings Pvt. Ltd Manipal Home Finance Ltd Jayamahar Trade and Investments Pvt. Ltd Manipal Advertising Services Pvt Ltd. Metropolis Builders Private Limited Manipal Stock & Shares Brokers Limited |

B) Related Party Transactions

| Particulars | Amount in ₹ |
|--|---|
| | Enterprises owned or significantly influenced by key Management Personnel / Directors and their relatives/ wholly owned subsidiary |
| Transactions during the period: | |
| Investment in Share Capital | |
| Kurlon Enterprise Limited | 50,000 |

1. Related Party relationships are as identified by the Company on the basis of the information available.

2. No amount is has been written off or written back during the year in respect of debts due from or to related party.

11. Financial Instruments

A - Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

| Particulars | Amount in ₹ |
|---|--------------------|
| | As at 31-Mar-21 |
| Total Equity Attributable to the Equity Shareholders of the Company | 33,082 |
| As a percentage of Total Capital | 100% |
| Current Borrowings | - |
| Non-Current Borrowings | - |
| Total Borrowings | - |
| As a percentage of Total Capital | 0% |
| Total Capital Structure | 33,082 |

The Company is predominantly equity financed which is evident from the capital structure table.

B - Categories of Financial Instruments

The carrying amounts and fair values of the financial instruments by class are as follows:

| Particulars | Amount in ₹ |
|-----------------------------------|--|
| | Carrying amount As at March 31, 2021 |
| Financial Assets | |
| Measured at Amortised Cost | |
| Current Assets | |
| - Cash and Cash Equivalents | 43,082 |
| TOTAL | 43,082 |
| Financial Liabilities | |
| Measured at Amortised Cost | |
| Current Liabilities | |
| - Trade Payables | 10,000 |
| TOTAL | 10,000 |

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The Company has disclosed financial instruments such as trade and other payables, cash and cash equivalents and other bank balances at carrying value because their carrying are a reasonable approximation of the fair values due to their short term nature.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

C - Financial Risk Management

The Company's principal financial liabilities, comprise of trade and other payables.

The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors.

This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk. The sensitivity analyses in the following sections relate to the position as at 31st March, 2021. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31st March, 2021

(i) Interest Rate Risk

Interest rate is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. however there are no instruments that are exposed to risk of fluctuation in market interest rates.

(ii) Interest rate risk management & Sensitivity Analysis

There are no interest bearing financial instrument as at the reporting date.

(b) Credit Risk :

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables)

Financial Instruments and Cash & Bank Deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31st March 2021 is the carrying amounts which are given below.

| Particulars | Amount in ₹ |
|-----------------------------|----------------------|
| | As at 31 March, 2021 |
| Current Assets | |
| - Cash and Cash Equivalents | 43,082 |

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits, Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be very low.

Maturity Profile of Financial Liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date:

| Particulars | Carrying Value | Amount in ₹ | |
|-----------------------------|----------------|------------------|--------------|
| | | Less than 1 year | 1 to 5 years |
| As at 31 March, 2021 | | | |
| Current Liabilities | | | |
| Trade Payables | 10,000 | 10,000 | - |
| TOTAL | 10,000 | 10,000 | - |

d) Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Disclosures of fair value measurement hierarchy for financial instruments are given below:

Amount in ₹

| Particulars | Carrying amount/Fair value | | |
|-----------------------------------|----------------------------|-----|---------------|
| | As at 31 March, 2021 | | |
| | L-1 | L-2 | L-3 |
| Financial Assets | | | |
| Measured at Amortised Cost | | | |
| Current Assets | | | |
| - Cash and Cash Equivalents | | | 43,082 |
| TOTAL | - | - | 43,082 |
| Financial Liabilities | | | |
| Measured at Amortised Cost | | | |
| Current Liabilities | | | |
| - Trade Payables | - | - | 10,000 |
| TOTAL | - | - | 10,000 |

12. Tax Expense**(a) Tax charge/(credit) recognised in Profit or Loss**

Amount in ₹

| Particulars | March 31, 2021 |
|---|-------------------|
| Current tax: | |
| Current Tax on Profit for the year | - |
| Charge/(Credit) in respect of Current Tax for earlier years | - |
| MAT Credit entitlement | - |
| Total Current tax | - |
| Effective Income tax rate | - |

(b) A reconciliation of income tax expense applicable to accounting Profits / (Loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

| | |
|----------------------------------|----------|
| Book Profit/(Loss) before tax | (16,919) |
| Taxable Income | (11,798) |
| Taxable Income - MAT | (16,919) |
| Statutory Income Tax rate | 26% |
| Tax at Statutory Income Tax rate | - |
| TOTAL | <u>-</u> |

13. Being the first year of incorporation, the accounts are for the period from 09.10.2020 to 31.03.2021 and the previous year figures are not applicable, hence not provided.

For and on behalf of the Board of Directors



J.M. PANDAY
DIRECTOR
DIN : 00232768



ASHISH V PRADHAN
DIRECTOR
DIN : 08630024

Place : Bangalore
Date : 28.07.2021

S P SRIVASTAVA & Associates

Chartered Accountants
N-306, Manipal Center,
47, Dickenson Road,
Bangalore - 560042
Karnataka, INDIA

INDEPENDENT AUDITOR'S REPORT

**To The Board of Directors
STARSHIP VALUE CHAIN & MANUFACTURING PRIVATE LIMITED**

Opinion

We have audited the accompanying interim financial statements of **Starship Value Chain & Manufacturing Private Limited** ("the Company"), which comprise the Interim Balance Sheet as at 20th October 2023, and the interim statement of profit and loss (including other comprehensive income) for the period then ended, the interim statement of changes in equity and the interim statement of cash flows for the period then ended, and notes to the interim financial statements, including a summary of significant accounting policies and other explanatory information as required by Indian Accounting Standard 34 – Interim Financial Reporting ("Ind AS 34") and other accounting principles generally accepted in India prepared for the purpose of its consideration in the consolidated financial results of Kurlon Enterprise Limited ("the Holding Company").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim financial statements give a true and fair view in conformity with Ind AS 34 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 20th October 2023, and its profit and other comprehensive income for the period then ended, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit of the interim financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Interim Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the interim financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the interim financial statements.

Responsibilities of Management for the Interim Financial Statements

The Company's management and the Board of Directors are responsible for preparation and presentation of these interim financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS 34 specified under Section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the interim financial statements that give a true and fair view and are free from material misstatement,



whether due to fraud or error, which have been used for the purpose of preparation of the interim financial statements by the management and Board of Directors of the Company, as aforesaid.

In preparing the interim financial statements, the management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management/Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Interim Financial Statements

Our objectives are to obtain reasonable assurance about whether the interim 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these interim financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the interim 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes 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 in the interim financial statements made by the management and the Board of Directors of the Company.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in the preparation of interim financial statements 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 interim 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 interim financial statements, including the disclosures, and whether the interim financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the interim financial statements.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

This report is intended for the limited purpose of use of the Board of Directors of the Company and for use by the Management of the Company, as a result, the Statement which has been prepared by the Management for the purpose of its inclusion in the consolidated financial results of its Holding Company, Kurlon Enterprise Limited, in accordance with format of presentation and disclosure requirement by the Holding Company and may not be suitable for another purpose and is not intended to be and should not be used, for any other purpose or by anyone other than the specified parties without our prior written consent.

For S P SRIVASTAVA & Associates

Chartered Accountants

Firm's Registration No. 025663S



S K Subramanian

Partner

Membership No. 205737

UDIN: 24205737BKBILL1634



Place: Bengaluru

Date: 03.01.2024

Starship Value Chain & Manufacturing Private Limited
Interim Balance sheet as at 20th October 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

| Particulars | Note No. | As at October 20, 2023 |
|--|----------|------------------------|
| I. ASSETS | | |
| A. Non current assets | | |
| a) i) Property Plant & Equipment | 3(a) | 39.38 |
| ii) Right Use Asset | 3(b) | 2,506.45 |
| b) Deferred Tax Assets (net) | 4 | 27.55 |
| c) Financial Assets | | |
| i) Other Financial assets | 5 | 276.31 |
| d) Other non current assets | 6 | 663.60 |
| | | 3,513.29 |
| B. Current assets | | |
| a) Financial assets | | |
| i) Trade receivables | 7 | 660.34 |
| ii) Cash and cash equivalents | 8 | 35.73 |
| b) Other current assets | 6 | 2.99 |
| Total current assets | | 699.06 |
| TOTAL ASSETS | | 4,212.35 |
| II. EQUITY AND LIABILITIES | | |
| A. EQUITY | | |
| a) Equity Share Capital | 9 | 0.50 |
| b) Other Equity | 10 | 859.04 |
| Total Equity | | 859.54 |
| B. LIABILITIES | | |
| Non Current Liabilities | | |
| a) Financial Liabilities | | |
| i) Lease Liability | 3(b) | 1,687.64 |
| b) Long term Provisions | 11 | 92.11 |
| | | 1,779.75 |
| 1. Current Liabilities | | |
| a) Financial Liabilities | | |
| i) Lease Liability | 3(b) | 934.61 |
| ii) Trade Payables | | |
| - total outstanding dues of micro and small enterprises and | | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 12 | 174.00 |
| iii) Other financial liabilities | 13 | 77.76 |
| b) Other current liabilities | 14 | 316.75 |
| c) Short term provisions | 11 | 69.94 |
| | | 1,573.06 |
| TOTAL EQUITY AND LIABILITIES | | 4,212.35 |

Summary of Significant Accounting Policies
 The Accompanying notes form an integral part of the financial statements

In terms of our report attached

For S P SRIVASTAVA & Associates
 Chartered Accountants

S K Subramanian
S K Subramanian
 Partner



Place: Bangalore
 Date: 03.01.2024

For and on behalf of Board of Directors of
Starship Value Chain & Manufacturing Private Limited

Ashish Vilas Pradhan
Ashish Vilas Pradhan
 Director



Place: Bangalore
 Date: 03.01.2024

Jamsheed Minoo Panday
Jamsheed Minoo Panday
 Director

Place: Bangalore
 Date: 03/01/2024

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Starship Value Chain & Manufacturing Private Limited
Interim Statement of profit and loss for the period ended 20th October 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

| Particulars | Note No. | For the period ended 20th October 2023 |
|--|----------|--|
| Income | | |
| Revenue from contract with Customers | 15 | 4,161.77 |
| Other Operating Income | 16 | 9.46 |
| Total income | | 4,171.23 |
| Expenses | | |
| Freight and Handling cost | 17 | 2,174.89 |
| Employee Cost | 18 | 738.23 |
| Finance Cost | 19 | 119.96 |
| Depreciation | 20 | 431.19 |
| Other Expenses | 21 | 560.80 |
| Total Expenses | | 4,025.07 |
| Profit/(Loss) before tax | | 146.16 |
| Tax Expense | | |
| Current Tax | | 69.67 |
| | | 69.67 |
| Profit/(Loss) for the period | | 76.49 |
| Other comprehensive income | | |
| (i) Items that will not be reclassified subsequently to profit or loss | | (5.15) |
| Total other comprehensive income | | (5.15) |
| Total Comprehensive Income/ (loss) for the period | | 71.34 |
| Earnings per equity share: | | |
| Basic (Rupees) | | 1,426.88 |
| Diluted (Rupees) | | 1,426.88 |

Summary of Significant Accounting Policies
The Accompanying notes form an integral part of the financial statements

In terms of our report attached

For S P SRIVASTAVA & Associates
Chartered Accountants



S K Subramanian
Partner

Place: Bangalore
Date: 03.01.2024



For and on behalf of Board of Directors of
Starship Value Chain & Manufacturing Private Limited



Ashish Vilas Pradhan
Director

Place: Bangalore
Date: 03.01.2024





Jamsheed Minoos Panday
Director

Place: Bangalore
Date: 03/01/2024

Starship Value Chain & Manufacturing Private Limited
Interim Statement of Changes in Equity for the period ended 20th October 2023
 (All the amounts are in Indian rupees lakhs, unless and otherwise stated)

a. Equity Share Capital

| Particulars | Amount |
|---|-------------|
| As at 31st March, 2023 | 0.50 |
| Changes in equity share capital during the year | - |
| As at 20th October, 2023 | 0.50 |

b. Other Equity

| Particulars | Reserves and Surplus | | | Total |
|---|----------------------|-----------------|-------------------|---------------|
| | Securities Premium | Capital Reserve | Retained Earnings | |
| Balance as at March 31, 2023 | - | - | 787.70 | 787.70 |
| Profit for the period ended 20-10-2023 | - | - | 76.49 | 76.49 |
| Other Comprehensive Income for the period | - | - | (5.15) | (5.15) |
| Balance as at October 20, 2023 | - | - | 859.04 | 859.04 |

For S P SRIVASTAVA & Associates
Chartered Accountants



S K Subramanian
Partner

Place: Bangalore
Date: 03.01.2024



For and on behalf of Board of Directors of
Starship Value Chain & Manufacturing Private Limited

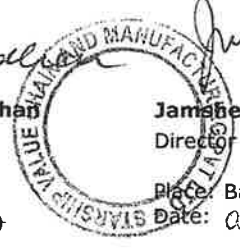


Ashish Vilas Pradhan
Director

Place: Bangalore
Date: 03.01.2024

Jansheed Minoo Panday
Director

Place: Bangalore
Date: 03/01/2024



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Starship Value Chain & Manufacturing Private Limited
Interim Cash Flow Statement for the period ended 20th October 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

| Particulars | For the period ended 20th October 2023 |
|--|---|
| A Cash flow from operating activities | |
| Net profit before tax | 146.16 |
| Adjustments for: | |
| Depreciation | 431.19 |
| Interest income | 9.46 |
| Operating profit before working capital changes | 586.81 |
| Adjustments for: | |
| Decrease/(increase) in Trade Receivables | 195.89 |
| Decrease/(increase) in other current assets | 68.78 |
| Decrease/(increase) in other non current assets and others | 175.95 |
| Increase/(decrease) in Trade Payables | (363.28) |
| Increase/(decrease) in other current liabilities | (184.30) |
| Increase/(decrease) in provisions | (95.05) |
| Increase/(decrease) in other financial liabilities | 63.03 |
| Increase in Right to Use Asset | (308.49) |
| Increase in Lease Liability | (63.30) |
| Cash generated from operations | 76.04 |
| Income tax paid/(To be paid) | 69.67 |
| Net cash flow from operating activities | 6.37 |
| B Cash flow from investing activities | |
| Proceeds from/(Purchase) of Property, Plant and Equipment including CWIP | (5.12) |
| Interest Income | (9.46) |
| Net cash used in Investing activities | (14.58) |
| C Cash flow from financing activities | |
| Proceeds/(Repayment) of Short Term Borrowings | (2.16) |
| Deposits with bank | - |
| Net cash used in financing activities | (2.16) |
| Net increase in cash & cash equivalents | (10.37) |
| Cash and cash equivalents at the beginning of the year | 46.10 |
| Cash and cash equivalents at the end of the year | 35.73 |

Summary of Significant Accounting Policies

In terms of our report attached
For S P SRIVASTAVA & Associates
Chartered Accountants



S K Subramanian
Partner

Place: Bangalore
Date: 03.01.2024



For and on behalf of Board of Directors of
Starship Value Chain & Manufacturing Private

Ashish Vilas Pradhan
Director

Place: Bangalore
Date: 03.01.2024

Jamsheed Minoos Panday
Director

Place: Bangalore
Date: 03/01/2024



Starship Value Chain & Manufacturing Private Limited
Notes to the Interim financial statements as of and for the period ended 20th October 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

1. CORPORATE INFORMATION

Starship Value chain and Manufacturing Private Limited was incorporated in Karnataka on 09.10.2020. The Company is a wholly owned subsidiary company of Kurfan Enterprise Limited and is engaged in the business as a manufacturer, designers, buyers, sellers, importers, exporters, workers, transporters, suppliers of all types of home comfort products, home decor items including furniture, mattresses, pillows, cushions, perfumers on retail and to manufacture of all types of furniture equipment appliances for domestic, office, industrial as well as on wholesale basis in India as well as outside India.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Application of Indian Accounting Standards

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the Financial Statements are authorised have been considered in preparing these Financial Statements. There is no other Indian Accounting Standard that has been issued as of that date, but not mandatorily effective.

B. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with the provisions of Companies Act 2013 ("the Act") and Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, issued by the Ministry of Corporate Affairs in exercise of powers conferred by section 133 of the Act.

C. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These Interim financial statements have been prepared in compliance with Ind AS 34, Interim Financial Reporting as issued by Institute of Chartered Accountants of India, ("ICAI") under the historical cost convention on accrual basis. Accordingly, these Interim financial statements do not include all the information required for a complete set of financial statements. These interim financial statements should be read in conjunction with the financial statements and related notes included in the Company's financial statements under Ind AS for the year ended March 31, 2023. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The material accounting policy information used in preparation of the audited interim financial statements have been discussed in the respective notes.

D. USE OF ESTIMATES

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense prospectively.

E. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at costs less accumulated depreciation (other than freehold land) and impairment loss, if any.

The cost includes purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Lease rentals and premium for lease hold are amortized over the primary lease period.

Depreciation is provided for property, plant and equipment on the straight-line method over the estimated useful life from the date the assets are ready for intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss

Capital work in progress

Amount paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.

The capital work- in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

II Assets which are depreciated over useful life/residual value indicated by Schedule II are as follows:

| Asset Class | Life as per Schedule II |
|-----------------------------------|-------------------------|
| Office Equipment's | 05 years |
| Furniture & Fixtures | 10 years |
| Computers & data processing units | 03 years |

Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).



Starship Value Chain & Manufacturing Private Limited
Notes to the Interim financial statements as of and for the period ended 20th October 2023

F Investments & financial assets

i) Classification

The Company classifies its financial assets in the following measurement categories :-

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b) those measured at amortised cost.

The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows.

ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value in the case of financial asset not at fair value through profit or loss', transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at 'fair value through profit or loss' are expensed in profit or loss.

Financial assets carried at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income:

A financial asset is subsequently measured at fair value through other comprehensive income (FVOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through profit or loss:

Assets that do not meet the criteria for amortised cost, are measured at fair value through profit or loss e.g. Investments in mutual funds. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

iii) Derecognition of financial assets

A financial asset is derecognised only when Company has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

G The Company recognises revenue from contracts with customers based on a five step model as set out in IndAS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer that are distinct.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

Company recognises revenue at a point in time when it satisfies a performance obligation by transferring promised goods to a customer. An asset is transferred when the customer obtains control of the same.

When the company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Company undertakes production and sale of processed egg products and by products. The produced goods are sold to domestic and export customers.

Other Income

Other Income shall be required when company satisfies the respective performance obligation.

Interest Income

Interest income from Financial assets (Rent deposits) is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial asset but does not consider the expected credit losses.

H TAXATION

Current tax is determined based on the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognized on timing differences: being the difference between the taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets and liabilities are recognised at the rate that have been enacted or substantively enacted by the Balance sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognized only to the extent that there is reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

I PROVISIONS AND CONTINGENT LIABILITIES

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

J EARNINGS PER SHARE (EPS)

Basic earnings per share amounts are computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



Starship Value Chain & Manufacturing Private Limited
Notes to the Interim financial statements as of and for the period ended 20th October 2023

K Retirement Benefits- Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plans. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The entity determines the defined benefit liability/asset annually by referring the same for valuation by a qualified actuary. The qualified actuary valued the defined benefit obligation by using the projected unit credit method. The amounts recognised in the financial statements are based on such actuarial valuation. Such determination of defined benefit obligations takes into account any practices of constructive obligations. The obligations (in respect of each material plan) are recognised in the financial statements

In Statement of Profit & Loss

- (i) Current service cost
- (ii) Any past service cost and gain or loss on settlement
- (iii) Net interest on net defined benefit liability

In Other comprehensive income

- (i) Actuarial gains and losses
- (ii) Return on plan assets, excluding amounts included in net interest on the net defined benefit liability
- (iii) Any change in the effect of asset ceiling

In the Balance sheet, the net defined benefit/asset is separately recognised and in respect of surplus in a defined plan, the net defined asset is measured at lower of

- a) Surplus in the defined benefit plan and
- b) The asset ceiling

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Corporation recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Long-term employee benefits

The Other long-term benefits that arise consequent to employment contracts are recognised in Statement of Profit & Loss as

- (i) Service cost
- (ii) Net interest on net defined benefit liability
- (iii) Re-measurements of the net defined benefit liability

Long term paid absences and other long-term employee benefits are provided for on the basis of an actuarial valuation, using projected unit credit method, as at each balance sheet date.

L CASH AND CASH EQUIVALENTS

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

M CASH FLOW STATEMENT

The entity reports the cash flow from

a) operating activities using Indirect method by adjusting the profit or loss for the effects of transactions of non-cash nature, deferrals or accruals of past or future cash receipts or payments and item of income or expense associated with investing or financing cash flows.

b) From investing and financing activities by reporting separately the major cash receipts and cash payments that arises from investing and financing activities except to the extent permitted to be reported on net basis by IND AS -7.

N Leases

The lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- (1) the contract involves the use of an identified asset;
- (2) the company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (3) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases.

Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

O Functional Currency

Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (₹) in which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (₹).



Starship Value Chain & Manufacturing Private Limited
Notes to the Interim financial statements as of and for the period ended 20th October 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

3(a). Property, Plant and Equipment

| Particulars | Equipments | Furniture & Fixtures | Computers & Softwares | Total |
|----------------------------------|--------------|----------------------|-----------------------|--------------|
| At 31st March 2023 | 29.23 | 6.06 | 18.54 | 53.83 |
| Additions | 2.81 | 2.31 | | 5.12 |
| Disposals/ adjustments | | | | |
| At 20th October 2023 | 32.04 | 8.37 | 18.54 | 58.95 |
| Accumulated Depreciation: | | | | |
| At 31st March 2023 | 8.30 | 0.93 | 5.25 | 14.48 |
| Depreciation expense | 3.10 | 0.36 | 1.63 | 5.09 |
| Disposals/ adjustments | - | - | - | - |
| At 20th October 2023 | 11.40 | 1.29 | 6.88 | 19.57 |
| Net carrying value: | | | | |
| At 20th October 2023 | 20.64 | 7.08 | 11.66 | 39.38 |
| At 31st March 2023 | 20.93 | 5.13 | 13.29 | 39.35 |



Starship Value Chain & Manufacturing Private Limited
Notes to the Interim financial statements as of and for the period ended 20th October 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

3(b) Right on Use of Assets

| Particulars | Leasehold Building | Total |
|----------------------------------|--------------------|----------|
| As on 1st April 2022 | | |
| Additions | 3,224.68 | 3,224.68 |
| Disposals/ adjustments | - | - |
| As on 31st March 2023 | | |
| | 3,224.68 | 3,224.68 |
| As on 1st April 2023 | | |
| Additions | 308.47 | 308.47 |
| Disposals/ adjustments | - | - |
| As on 20th October 2023 | 3,533.15 | 3,533.15 |
| Accumulated Depreciation: | | |
| As on 1st April 2022 | | |
| Depreciation expense | - | - |
| Additions | 600.60 | 600.60 |
| Disposals/ adjustments | - | - |
| As on 31st March 2023 | | |
| | 600.60 | 600.60 |
| As on 1st April 2023 | | |
| Depreciation expense | 426.10 | 426.10 |
| Additions | - | - |
| Disposals/ adjustments | - | - |
| As on 20th October 2023 | 1,026.70 | 1,026.70 |
| Net carrying value: | | |
| As on 20th October 2023 | 2,506.45 | 2,506.45 |
| As on 31st March 2023 | 2,624.08 | 2,624.08 |

ii) The following is the movement in lease liabilities during the period ended 20th October 2023:

| Particulars | Leasehold Building | Total |
|--|--------------------|----------|
| Balance as at 01 April 2022 | - | - |
| Additions | 3,148.18 | 3,148.18 |
| Finance cost accrued during the period | 189.91 | 189.91 |
| Deletions | - | - |
| Payments | 652.55 | 652.55 |
| Balance as at 31 March 2023 | 2,685.54 | 2,685.54 |
| Balance as at 01 April 2023 | 2,685.54 | 2,685.54 |
| Additions | 308.47 | 308.47 |
| Finance cost accrued during the period | 119.96 | 119.96 |
| Deletions | - | - |
| Payments | 491.72 | 491.72 |
| Balance as at 31st March 2023 | 2,685.54 | 2,685.54 |
| Balance as at 20th October 2023 | 2,622.25 | 2,622.25 |

iii) The following is the break-up of current and non-current lease liabilities:

| Particulars | As at 20th October 2023 | |
|-------------------|-------------------------|---------------|
| | Non-Current | Current |
| Lease liabilities | 1,687.64 | 934.61 |
| Total | 1,687.64 | 934.61 |



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Starship Value Chain & Manufacturing Private Limited
Notes to the financial statements as of and for the period ended 20th October 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

4 Deferred Tax Assets (Net)

| Particulars | As at | |
|---|-------------------|--------------|
| | 20th October 2023 | |
| Deferred tax asset | | |
| Opening Balance | | 27.55 |
| Fixed assets : Impact of difference between tax depreciation and depreciation charged for the financial r | | - |
| Provision for gratuity | | - |
| Provision for leave encashment | | - |
| Lease Liability | | - |
| Disallowance under Sec 40a(ia) | | - |
| Net deferred tax (asset)/liability | | 27.55 |
| Deferred tax charge/(credit) for the year * | | - |

*Deferred Tax Asset/ Liability will be calculated at the end of the financial year based on actual values.

5 Other Financial assets

| Particulars | As at 20th October 2023 | |
|---|-------------------------|----------|
| | Non-Current | Current |
| Considered good unless otherwise stated | | |
| Unsecured, at amortised cost | | |
| Security deposits | 270.92 | - |
| Other bank balance | | |
| Deposits with remaining maturity for more than 12 months (Refer note 9) | 5.39 | - |
| Total | 276.31 | - |

6 Other Non current Assets

| Particulars | As at 20th October 2023 | |
|--|-------------------------|-------------|
| | Non-Current | Current |
| Unsecured, considered good | | |
| Capital advances (Refer Note (i) below) | | |
| Advances recoverable in cash or kind | | |
| - Related parties (Refer Note 35) | | |
| - Others | | |
| Advance to employees | - | 1.59 |
| Advance Tax and TDS | 650.37 | - |
| Prepaid expenses | - | 1.40 |
| Balances with statutory/government authorities | 13.23 | - |
| Unsecured, credit impaired | | |
| Advances recoverable in cash or kind | | |
| - Others | - | - |
| Less : Provision for doubtful advances | - | - |
| Total | 663.60 | 2.99 |



7 Trade receivables

| Particulars | As at 20th October 2023 |
|-------------------------------------|----------------------------|
| Financial assets, at amortised cost | |
| Unsecured, considered good | 660.34 |
| Total | 660.34 |

Trade receivables Ageing Schedule

As at 20 Oct 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|-----------------------|-------------------------|-------------|-----------|-------------------|---------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables – considered good | 309.37 | 9.18 | 16.55 | 5.24 | - | - | 340.34 |
| Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - | - |
| Disputed Trade receivable – considered good | - | - | - | - | - | - | - |
| Disputed Trade receivable – considered doubtful | - | - | - | - | - | - | - |
| Unbilled dues | 320.00 | - | - | - | - | - | 320.00 |
| Total | 629.37 | 9.18 | 16.55 | 5.24 | - | - | 660.34 |

8 Cash and cash equivalents

| Particulars | As at 20th October 2023 |
|---------------------------|----------------------------|
| Cash and cash equivalents | |
| Cash in hand | - |
| Balances with banks : | |
| In current accounts | 35.73 |
| Other bank balances | - |
| Total | 35.73 |



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Starship Value Chain & Manufacturing Private Limited
Notes to the financial statements as of and for the period ended 20th October 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

9 Equity Share Capital

| Particulars | As at 20th October 2023 |
|---|----------------------------|
| Authorised Share Capital | |
| 5,000 (31st March 2022: 5,000) Equity Shares of Rs. 10/- each | 0.50 |
| Issued, Subscribed and fully paid up | |
| 5,000 (31st March 2022: 5,000) Equity Shares of Rs. 10/- each | 0.50 |
| Total | 0.50 |

a) Reconciliation of No. of shares - Equity Shares

| Particulars | 20th October 2023 | |
|--|-------------------|-------------|
| | No. of Shares | Amount (Rs) |
| Balance as at the beginning of the year | 5,000.00 | 0.50 |
| Add: Shares Issued during the year | - | - |
| Less: Shares bought back during the year | - | - |
| Balance as at the end of the year | 5,000.00 | 0.50 |

b) Rights, preferences, and restriction attached to shares.

The company has only one class of equity shares having par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting except, in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining asset of the company after distribution of all preferential amount, in the proportion of their shareholding.

c) Details of Shares held by the Holding Company:

| Particulars | 20th October 2023 | |
|------------------------|-------------------|--------------|
| | No. of Shares | % of Holding |
| Kurlon Enterprise Ltd. | 4,990.00 | 99.80% |

d) Shareholders holding more than 5% of total paid up capital

| Particulars | 20th October 2023 | |
|------------------------|-------------------|--------------|
| | No. of Shares | % of Holding |
| Kurlon Enterprise Ltd. | 4,990.00 | 99.80% |

e) Shares held by promoters

| Promoter Name | 20th October 2023 | | |
|-----------------------------|-------------------|-------------------|--------------------------|
| | No. of shares | % of total shares | % change during the year |
| Equity Share capital | | | |
| Kurlon Enterprise Ltd. | 4,990.00 | 99.8% | No change |

10 Other Equity

| Particulars | As at 20th October 2023 |
|--------------------------------------|----------------------------|
| Retained Earnings | |
| Balance at the beginning of the year | 787.70 |
| Add : Profit/Loss for the period | 76.49 |
| Add: Other Comprehensive Income | (5.15) |
| Balance as at end of the period | 859.04 |
| Total | 859.04 |



Starship Value Chain & Manufacturing Private Limited
Notes to the financial statements as of and for the period ended 20th October 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

11 Long Term Provision

| Particulars | As at 20th October 2023 | |
|--|-------------------------|--------------|
| | Non-Current | Current |
| Provision for Income Tax * | | 69.67 |
| Provision for employee benefits | | |
| Gratuity (Refer Note 40) | 51.53 | 0.27 |
| Leave Encashment | 40.58 | - |
| Total | 92.11 | 69.94 |

* Provision for taxation has been calculated as a percentage of Profit before tax based on previous year's Average tax rate

12 Trade Payables

| Particulars | As at 20th October 2023 |
|--|----------------------------|
| At amortised cost | |
| - total outstanding dues of micro enterprises and small enterprises; and | |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 174.00 |
| Total | 174.00 |

Trade Payables Ageing Schedule
As at 20th October 2023

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|---------|--|----------|----------|------------------|---------------|
| | | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | |
| (i) MSME | - | - | - | - | - | - |
| (ii) Others | - | 174.00 | - | - | - | 174.00 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - |
| (v) Unbilled dues | - | - | - | - | - | - |
| Total | - | 174.00 | - | - | - | 174.00 |

13 Other Financial Liabilities

| Particulars | As at 20th October 2023 |
|----------------|----------------------------|
| Salary Payable | 77.76 |
| Total | 77.76 |

14 Other Current Liabilities

| Particulars | As at 20th October 2023 |
|--|----------------------------|
| Statutory Dues | - |
| Security Deposit received-From Vendors | 35.75 |
| Purchase Consideration Payable | 1.00 |
| Advance received other than capital advances | 280.00 |
| Total | 316.75 |



Starship Value Chain & Manufacturing Private Limited
Notes to the financial statements as of and for the period ended 20th October 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

15 Revenue from operations

| Particulars | Period ended 20th October 2023 |
|-----------------------------------|-----------------------------------|
| a) Sale of Services | |
| Primary Transport | 926.27 |
| Secondary Transportation Services | 1,155.41 |
| Administrative Services | 1,274.59 |
| Warehousing Services | 543.25 |
| Transportation Services | 9.22 |
| Management Charges | 251.44 |
| b) Other Operating Income | |
| Scrap Sale | 1.59 |
| Total | 4,161.77 |

16 Other Income

| Particulars | Period ended 20th October 2023 |
|---|-----------------------------------|
| Interest income | |
| - On fixed deposits | 0.15 |
| - On security deposits | 9.31 |
| - On Others | |
| Miscellaneous income | - |
| Liabilities no longer required written back | |
| Total | 9.46 |

17 Freight and Handling cost

| Particulars | Period ended 20th October 2023 |
|----------------------------------|-----------------------------------|
| Freight Primary Transportation | 893.56 |
| Freight Secondary Transportation | 1,153.17 |
| Fuel, Toll & Fastag Charges | 37.87 |
| Real Estate Rent & Brokerage | 90.29 |
| Others | - |
| Total | 2,174.89 |

18 Employee Benefits Expense

| Particulars | Period ended 20th October 2023 |
|--------------------------------|-----------------------------------|
| Salaries and wages | 679.61 |
| Contribution to Provident fund | 33.29 |
| Staff welfare expenses | 25.33 |
| Total | 738.23 |



Starship Value Chain & Manufacturing Private Limited
Notes to the financial statements as of and for the period ended 20th October 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

19 Finance Cost

| Particulars | Period ended 20th October 2023 |
|-----------------------------|-----------------------------------|
| Interest on Lease Liability | 119.96 |
| Total | 119.96 |

20 Depreciation & Amortisation Expenses

| Particulars | Period ended 20th October 2023 |
|---|-----------------------------------|
| Depreciation of property, plant and equipment | 5.09 |
| Depreciation of Right-of-use assets | 426.10 |
| Total | 431.19 |

21 Other Expenses

| Particulars | Period ended 20th October 2023 |
|------------------------------------|-----------------------------------|
| Payment to Auditors | 4.14 |
| Manpower Charges | 193.77 |
| Repair & Maintenance Expenses | 47.09 |
| Security Charges | 46.61 |
| Internet Charges | 40.26 |
| Electricity Charges | 17.67 |
| Water Charges | 0.12 |
| Office Expenses | 33.32 |
| Postage & Courier | 3.42 |
| Professional Fees | 24.12 |
| Travelling Expenses | 77.21 |
| Incentive | 21.28 |
| Printing & Stationery | 2.55 |
| Rates and Taxes | 9.51 |
| Software Maintenance | 18.78 |
| Insurance | 7.51 |
| After Sale Services | - |
| Advertising & Promotional Expenses | 9.46 |
| Bank charges | 0.03 |
| Miscellaneous Expenses | 3.95 |
| Total | 560.80 |

| Payment to auditor comprises | Period ended 20th October 2023 |
|------------------------------|-----------------------------------|
| As an auditor | 1.50 |
| Taxation matters | - |
| Total | 1.50 |



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Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)

CIN: U36900KA2020PTC139535

Balance sheet as at 31st March 2022

(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

| Particulars | Note No. | As at March 31, 2022 | As at March 31, 2021 |
|--|----------|----------------------|----------------------|
| I. ASSETS | | | |
| A. Non current assets | | | |
| a) i) Property Plant & Equipment | 3 | 32.25 | 3.95 |
| ii) Capital Work In Progress | | 16.89 | 2.15 |
| b) Deferred Tax Assets (net) | 4 | 68.21 | - |
| c) Financial Assets | | | |
| Other Financial assets | 5 | 311.30 | 228.58 |
| d) Other non current assets | 6 | 491.08 | 121.75 |
| | | 919.73 | 356.43 |
| B. Current assets | | | |
| a) Financial assets | | | |
| i) Trade receivables | 7 | 1,268.63 | 429.45 |
| ii) Cash and cash equivalents | 8 | 334.45 | 482.80 |
| b) Other current assets | 9 | 122.10 | 1.39 |
| Total current assets | | 1,725.18 | 913.64 |
| TOTAL ASSETS | | 2,644.91 | 1,270.07 |
| II. EQUITY AND LIABILITIES | | | |
| A. EQUITY | | | |
| a) Equity Share Capital | 10 | 0.50 | 0.50 |
| b) Other Equity | 11 | 544.73 | 251.27 |
| Total Equity | | 545.23 | 251.77 |
| B. LIABILITIES | | | |
| Non Current Liabilities | | | |
| Long term Provisions | 12 | 16.05 | - |
| 1. Current Liabilities | | | |
| a) Financial Liabilities | | | |
| i) Short Term Borrowings | 13 | 3.83 | 0.18 |
| ii) Trade Payables | 14 | | |
| - total outstanding dues of micro and small enterprises and | | | |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,271.99 | 208.05 |
| b) Other current liabilities | 15 | 562.36 | 670.07 |
| c) Short Term Provisions | 16 | 245.45 | 140.00 |
| | | 2,083.63 | 1,018.30 |
| TOTAL EQUITY AND LIABILITIES | | 2,644.91 | 1,270.07 |

Summary of Significant Accounting Policies

2

The Accompanying notes form an integral part of the financial statements

As per our report of even date

for ASA & Associates LLP

Chartered Accountants

Firm Registration No. 009571N/N500006

For and on behalf of Board of Directors of

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)

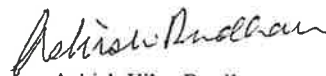
Vinay K S

Partner

Membership Number : 223085

Place: Bangalore

Date:



Ashish Vilas Pradhan

Director

DIN: 08630024

Place: Bangalore

Date:



Jamsheed Minoo Panday

Director

DIN: 00232768

Place: Bangalore

Date:

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
CIN: U36900KA2020PTC139535

Statement of profit and loss for the year ended 31st march 2022

(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

| Particulars | Note No. | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|----------|-----------------------------------|-----------------------------------|
| Income | | | |
| Revenue from contract with Customers | 17 | 9,513.74 | 1,835.41 |
| Other Operating Income | 18 | 0.60 | 0.87 |
| Total income | | 9,514.34 | 1,836.28 |
| Expenses | | | |
| Freight, handling and servicing cost | 19 | 7,009.30 | 829.36 |
| Employee Cost | 20 | 1,185.02 | 297.86 |
| Depreciation | 3 | 5.01 | 0.81 |
| Other Expenses | 21 | 1,003.35 | 315.98 |
| Total Expenses | | 9,202.68 | 1,444.01 |
| Profit/(Loss) before tax | | 311.66 | 392.27 |
| Tax Expense | | | |
| Current Tax | | 86.41 | 140.00 |
| Deferred Tax | | (68.21) | - |
| | | 18.20 | 140.00 |
| Profit/(Loss) for the year | | 293.46 | 252.27 |
| Other comprehensive income | | | |
| (i) Items that will not be reclassified subsequently to profit or loss | | - | - |
| (ii) Income tax relating to items that will not be reclassified subsequently to profit or loss | | - | - |
| (iii) Items that will be reclassified subsequently to profit or loss | | - | - |
| (iv) Income tax relating to items that will be reclassified subsequently to profit or loss | | - | - |
| Total other comprehensive income | | - | - |
| Total Profit/(Loss) for the period | | 293.46 | 252.27 |
| Earnings per equity share: | 22 | | |
| Basic | | 5,869.23 | 5,045.37 |
| Diluted | | 5,869.23 | 5,045.37 |

Summary of Significant Accounting Policies

2

The Accompanying notes form an integral part of the financial statements

As per our report of even date

For ASA & Associates LLP

Chartered Accountants

Firm Registration No. 009571N/N500006

Vinay K S

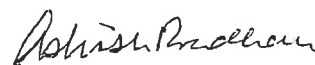
Partner

Membership Number : 223085

Place: Bangalore

Date:

for and on behalf of the Board of Directors of
Starship Value Chain & Manufacturing Private Limited
(Formerly known as Starship Manufacturing and Services Private Limited)



Ashish Vilas Pradhan

Director

DIN: 08630024

Place: Bangalore

Date:



Jamsheed Minoo Panday

Director

DIN: 00232768

Place: Bangalore

Date:

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)

CIN: U36900KA2020PTC139535

Cash Flow Statement for the year ended 31 March 2022

(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| A Cash flow from operating activities | | |
| Net profit before tax | 311.66 | 252.27 |
| Adjustments for: | | |
| Depreciation | 5.01 | - |
| Operating profit before working capital changes | 316.67 | 252.27 |
| Adjustments for: | | |
| Decrease/(increase) in Trade Receivables | -839.18 | -429.45 |
| Decrease/(increase) in other current assets | -120.71 | -1.40 |
| Decrease/(increase) in other non current assets and others | -520.24 | -351.33 |
| Increase/(decrease) in Trade Payables | 1,063.94 | 208.05 |
| Increase/(decrease) in other current liabilities | -107.71 | 669.07 |
| Increase/(decrease) in provisions | 121.48 | 140.00 |
| Cash generated from operations | -85.75 | 487.21 |
| Income tax paid/(To be paid) | 18.20 | - |
| Net cash flow from operating activities | -103.95 | 487.21 |
| B Cash flow from investing activities | | |
| Proceeds from/(Purchase) of Property, Plant and Equipment including CWIP | -48.06 | -6.09 |
| Net cash used in Investing activities | -48.06 | -6.09 |
| C Cash flow from financing activities | | |
| Proceeds/(Repayment) of Short Term Borrowings | 3.66 | 0.18 |
| Proceeds/(Repayment) of Share Allotment | - | 1.50 |
| Net cash used in financing activities | 3.66 | 1.68 |
| Net increase in cash & cash equivalents | -148.35 | 482.80 |
| Cash and cash equivalents at the beginning of the year | 482.80 | - |
| Cash and cash equivalents at the end of the year | 334.45 | 482.80 |

Summary of Significant Accounting Policies

As per our report of even date


for ASA & Associates LLP


Chartered Accountants

Vinay K S
Partner
Membership Number : 223085

Place: Bangalore
Date:

For and on behalf of Board of Directors of
Starship Value Chain & Manufacturing Private
Limited (Formerly known as Starship Manufacturing
and Services Private Limited)


Ashish Vilas Pradhan
Director
DIN: 08630024


Jamsheed Minoo Panday
Director
DIN: 00232768

Place: Bangalore
Date:

Place: Bangalore
Date:

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)

CIN: U36900KA2020PTC139535

Statement of Changes in Equity for the year ended 31 March 2022

(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

a. Equity Share Capital

| Particulars | Amount |
|--|--------|
| As at 1st April, 2020 | - |
| Changes in equity share capital during the year due to prior period errors | - |
| Restated balance as at 1 April 2020 | - |
| Changes in equity share capital during the year | 50,000 |
| As at 31st March, 2021 | 50,000 |
| Changes in equity share capital during the year due to prior period errors | - |
| Restated balance as at 31st March 2021 | 50,000 |
| Changes in equity share capital during the year | - |
| As at 31st March, 2022 | 50,000 |

b. Other Equity

| Particulars | Reserves and Surplus | | | Total |
|---|----------------------|-----------------|-------------------|--------|
| | Securities Premium | Capital Reserve | Retained Earnings | |
| As at 1st April, 2020 | - | - | - | - |
| Profit for the year | - | - | - | - |
| Other Comprehensive Income for the year | - | - | - | - |
| Balance as at March 31, 2021 | - | - | - | - |
| Profit for the year | - | - | 293.46 | 293.46 |
| Other Comprehensive Income for the year | - | - | - | - |
| Balance as at March 31, 2022 | - | - | 293.46 | 293.46 |

As per our report of even date

For ASA & Associates LLP

Chartered Accountants

Firm Registration No. 009571N/N500006

Vinay K S

Partner

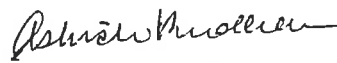
Membership Number : 223085

Place: Bangalore

Date:

For and on behalf of Board of Directors of

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)



Ashish Vilas Pradhan

Director

DIN: 08630024

Place: Bangalore

Date:



Jamshed Minoo Panday

Director

DIN: 00232768

Place: Bangalore

Date:

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
CIN: U36900KA2020PTC139535
Notes to the financial statements as of and for the year ended March 31, 2022

1. CORPORATE INFORMATION

Starship Value chain and Manufacturing Private Limited was incorporated in Karnataka on 09.10.2020. The Company is a wholly owned subsidiary company of Kurlon Enterprise Limited and is engaged in the business as a manufacturer, designers, buyers, sellers, importers, exporters, workers, transporters, suppliers of all types of home comfort products, home decor items including furniture, mattresses, pillows, cushions, perfumers on retail and to manufacture of all types of furniture equipment appliances for domestic, office, industrial as well as on wholesale basis in India as well as outside India.

2. SIGNIFICANT ACCOUNTING POLICIES

A. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with the provisions of Companies Act 2013 ("the Act") and Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, issued by the Ministry of Corporate Affairs in exercise of powers conferred by section 133 of the Act.

B. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared on an accrual basis and under the historical cost convention basis. The accounts of the company have been prepared on a going concern basis.

Ministry of Corporate Affairs ("MCA") through a notification dated March 24, 2021, amended Division II of Schedule III of the Companies Act, 2013 and applicable for the reporting period beginning on or after April 1, 2021. The amendment encompasses certain additional disclosure requirements. The Company has applied and incorporated the requirements of amended Division II of Schedule III of the Companies Act, 2013, to the extent applicable on it while preparing these financial statements.

The operating cycle in the normal course has been identified to have a duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS - 1 "Presentation of Financial Statements" and Schedule - III to the Companies Act, 2013.

The Balance sheet, the Statement of Profit and Loss and the statements of Changes in Equity are prepared in the format prescribed in Schedule III to the Act. The Cash Flow Statement has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the Ind AS.

The Financial Statements are presented in Indian Rupees and all values are rounded off to two decimal lakh except as otherwise stated.

The Company has acquired Starship Global VCT LLP (acquiree) by entering into Business Transfer Agreement executed on 28th February 2022 and effective from 31st March 2022. As per Ind AS 103 "Business Combination", financial statements have been rested as if the business combination had occurred from the beginning of the earliest period presented in the financial statements. Since, the acquiree entity incorporated on 29th June 2020, rested balance sheet as at 01st April 2022 is not presented and only comparatives is given

C. USE OF ESTIMATES

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense prospectively.

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
CIN: U36900KA2020PTC139535

Notes to the financial statements as of and for the year ended March 31, 2022

D PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at costs less accumulated depreciation (other than freehold land) and impairment loss, if any.

The cost includes purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Lease rentals and premium for lease hold are amortized over the primary lease period.

Depreciation is provided for property, plant and equipment on the straight-line method over the estimated useful life from the date the assets are ready for intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss

Capital work in progress

Amount paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.

The capital work- in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

E INTANGIBLE ASSETS

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Intangible assets are amortized on a straight line basis over their estimated useful lives from the date that they are available for use.

The estimated useful lives of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss arising from Derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised/disposed

F INVENTORIES

The Company is engaged in the business of 3PL Transportation and warehousing. The nature of business is such that there is no Stock in Trade and consumables.

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)

CIN: U36900KA2020PTC139535

Notes to the financial statements as of and for the year ended March 31, 2022

G. REVENUE RECOGNITION

The Company recognises revenue from contracts with customers based on a five step model as set out in IndAS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer that are distinct.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

When the company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Other Income

Other Income shall be required when company satisfies the respective performance obligation.

H. TAXATION

Current tax is determined based on the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognized on timing differences: being the difference between the taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets and liabilities are recognised at the rate that have been enacted or substantively enacted by the Balance sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognized only to the extent that there is reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

I PROVISIONS AND CONTINGENT LIABILITIES

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

J EARNINGS PER SHARE (EPS)

Basic earnings per share amounts are computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

K CASH AND CASH EQUIVALENTS

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

L CASH FLOW STATEMENT

The entity reports the cash flow from

a) operating activities using indirect method by adjusting the profit or loss for the effects of transactions of non-cash nature, deferrals or accruals of past or future cash receipts or payments and item of income or expense associated with investing or financing cash flows.

b) From investing and financing activities by reporting separately the major cash receipts and cash payments that arises from investing and financing activities except to the extent permitted to be reported on net basis by IND AS -7.

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
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Notes to the financial statements as of and for the year ended March 31, 2022

(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

3a. Property, Plant and Equipments

| Category of the Asset | Rate | GROSS BLOCK | | | | Depreciation | | | NET BLOCK | | |
|-----------------------|--------|-------------------------------|---------------------|--------------------------|-----------|------------------------|-------------------------------|---------------------------|----------------------------------|---------------------|---------------------|
| | | Opening Balance 01.04.2021 | Additions | | Deletions | Gross on 31.03.2022 | Opening Balance 01.04.2021 | Additions for the year | Closing Balance 31.03.2022 | As on 31.03.2021 | As on 31.03.2022 |
| | | | Up to 30.09.2021 | on & after 01.10.2021 | | | | | | | |
| Furniture & Fixtures | 10.00% | - | 1.04 | 5.01 | - | 6.06 | - | 0.36 | 0.36 | - | 5.70 |
| Equipments | 15.00% | 1.10 | 9.62 | 15.36 | - | 26.08 | 0.08 | 2.75 | 2.83 | 1.02 | 23.25 |
| Computers & Softwares | 40.00% | 3.66 | 1.42 | 0.86 | - | 5.94 | 0.73 | 1.91 | 2.64 | 2.93 | 3.30 |
| Total | | 4.76 | 12.08 | 21.23 | - | 38.08 | 0.81 | 5.01 | 5.83 | 3.95 | 32.25 |

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
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 Notes to the financial statements as of and for the year ended March 31, 2022
 (All the amounts are in Indian rupees lakhs, unless and otherwise stated)

4 Capital Work in Progress

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--------------------------------|--------------------------|--------------------------|
| Opening balance | 2.15 | - |
| Add: Additions during the year | 14.75 | 2.15 |
| Less: Transferred to Assets | - | - |
| Closing balance | 16.89 | 2.15 |

Capital Work in Progress aging schedule

As at 31st March 2022

| CWIP | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-------------|-----------|-------------------|--------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 14.75 | 2.15 | - | - | 16.89 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 16.89 | 2.15 | - | - | 19.04 |

As at 31st March 2021

| CWIP | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 2.15 | - | - | - | 2.15 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 2.15 | - | - | - | 2.15 |

5 Deferred Tax Assets (Net)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|--------------------------|--------------------------|
| Deferred tax asset | | |
| Fixed assets : Impact of difference between tax depreciation and depreciation charged for the financial reporting | - | - |
| Provision for gratuity | 4.18 | - |
| Provision for leave encashment | 4.95 | - |
| Provision for Bonus | - | - |
| Disallowance under Sec 40a(iia) | 59.08 | - |
| Net deferred tax (asset)/liability | 68.21 | - |
| Deferred tax charge/(credit) for the year | (68.21) | |

6 Other Financial assets.

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|-------------------|--------------------------|--------------------------|
| Security Deposits | 311.30 | 228.58 |
| Total | 311.30 | 228.58 |

7 Other Non current Assets

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---------------------------|--------------------------|--------------------------|
| Unsecured considered good | | |
| Advance Tax and TDS | 491.08 | 121.75 |
| Total | 491.08 | 121.75 |

8 Trade receivables

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|----------------------------|--------------------------|--------------------------|
| Unsecured, considered good | | |
| Undisputed | 1,268.63 | 429.45 |
| Total | 1,268.63 | 429.45 |

Trade receivables Ageing Schedule
As at 31 March 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|-------------------|-----------|-----------|-------------------|-----------------|
| | Less than 6 months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables – considered good | 1,268.63 | - | - | - | - | 1,268.63 |
| Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| Disputed Trade receivable – considered good | - | - | - | - | - | - |
| Disputed Trade receivable – considered doubtful | - | - | - | - | - | - |
| Unbilled dues | - | - | - | - | - | - |
| Total | 1,268.63 | - | - | - | - | 1,268.63 |

As at 31 March 2021

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|-------------------|-----------|-----------|-------------------|---------------|
| | Less than 6 months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables – considered good | 429.45 | - | - | - | - | 429.45 |
| Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| Disputed Trade receivable – considered good | - | - | - | - | - | - |
| Disputed Trade receivable – considered doubtful | - | - | - | - | - | - |
| Unbilled dues | - | - | - | - | - | - |
| Total | 429.45 | - | - | - | - | 429.45 |

9 Cash and cash equivalents

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|----------------------------|--------------------------|--------------------------|
| Balances with Banks | | |
| In current accounts | 327.97 | 476.62 |
| In Fixed Deposits | 5.98 | 5.68 |
| Cash In Hand | 0.50 | 0.50 |
| Total | 334.45 | 482.80 |

10 Other current assets

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--------------------------------------|--------------------------|--------------------------|
| Advances other than capital advances | 11.14 | - |
| Advances to Staff | 12.97 | 0.67 |
| Balance with government authorities | 85.64 | - |
| Prepaid expenses | 12.35 | 0.72 |
| Unbilled revenue | - | - |
| Total | 122.10 | 1.39 |

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
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 Notes to the financial statements as of and for the year ended March 31, 2022
 (All the amounts are in Indian rupees lakhs, unless and otherwise stated)

11 Equity Share Capital

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|--------------------------|--------------------------|
| Authorised Share Capital | | |
| 5,000 (31st March 2021: 5,000) Equity Shares of Rs. 10/- each | 50,000.00 | 50,000.00 |
| Issued, Subscribed and fully paid up | | |
| 500,000 (31st March 2021: 5,000) Equity Shares of Rs. 10/- each | 50,000.00 | 50,000.00 |
| Total | 50,000.00 | 50,000.00 |

a) Reconciliation of No. of shares - Equity Shares

| Particulars | 31st March 2022 | | 31st March 2021 | |
|--|-----------------|------------------|-----------------|------------------|
| | No. of Shares | Amount (Rs) | No. of Shares | Amount (Rs) |
| Balance as at the beginning of the year | 5,000.00 | 50,000.00 | - | - |
| Add: Shares Issued during the year | - | - | 5,000.00 | 50,000.00 |
| Less: Shares bought back during the year | - | - | - | - |
| Balance as at the end of the year | 5,000.00 | 50,000.00 | 5,000.00 | 50,000.00 |

b) Rights, preferences, and restriction attached to shares.

The company has only one class of equity shares having par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting except, in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining asset of the company after distribution of all preferential amount, in the proportion of their shareholding.

c) Details of Shares held by the Holding Company:

| Particulars | 31st March 2022 | | 31st March 2021 | |
|------------------------|-----------------|--------------|-----------------|--------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Kurlon Enterprise Ltd. | 4,990.00 | 99.80% | 4,990.00 | 99.80% |

d) Shareholders holding more than 5% of total paid up capital

| Particulars | 31st March 2022 | | 31st March 2021 | |
|------------------------|-----------------|--------------|-----------------|--------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Kurlon Enterprise Ltd. | 4,990.00 | 99.80% | 4,990.00 | 99.80% |

e) Shares held by promoters

| Promoter Name | As at 31st March 2022 | | | As at 31st March 2021 | | |
|-----------------------------|-----------------------|-------------------|--------------------------|-----------------------|-------------------|--------------------------|
| | No. of shares | % of total shares | % change during the year | No. of shares | % of total shares | % change during the year |
| Equity Share capital | | | | | | |
| Kurlon Enterprise Ltd. | 4,990.00 | 99.8% | No change | 4,990.00 | 99.8% | No Change |

12 Other Equity

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--|--------------------------|--------------------------|
| Retained Earnings | | |
| Opening balance | - | - |
| Add : Net Profit/(Net Loss) for the year | 293.46 | - |
| Closing Balance | 293.46 | - |
| Capital Reserve | | |
| Opening Balance | 251.27 | - |
| Add : Net Profit/(Net Loss) for the year | - | 251.27 |
| Closing Balance | 251.27 | 251.27 |
| Total | 544.73 | 251.27 |

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)

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Notes to the financial statements as of and for the year ended March 31, 2022

(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

13 Long Term Provision

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---------------------------------|--------------------------|--------------------------|
| Provision for Employee Benefits | | |
| Provision for Gratuity | 16.05 | - |
| Closing Balance | 16.05 | - |

14 Short Term Borrowings

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---------------------------|--------------------------|--------------------------|
| Loans & advances -Secured | | |
| Axis Bank Credit Card * | 3.83 | 0.18 |
| Closing Balance | 3.83 | 0.18 |

15 Trade Payables

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--|--------------------------|--------------------------|
| - total outstanding dues of micro enterprises and small enterprises; and | - | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 1,271.99 | 208.05 |
| Total | 1,271.99 | 208.05 |

Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to dues to Micro, Small and Medium enterprises. Based on the information available with the Company and based on the confirmations circulated and responses received by the management, there are no parties who have been identified as micro, small and medium enterprises.

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year. | - | - |
| b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |
| c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and | - | - |
| e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

Note: This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company.

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
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Notes to the financial statements as of and for the year ended March 31, 2022

(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

Trade Payables Ageing Schedule

As at March 31, 2022

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|------------------------|--|----------|----------|------------------|-----------------|
| | | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | |
| (i) MSME | - | - | - | - | - | - |
| (ii) Others | -3,23,88,126.61 | 3,23,89,398.60 | - | - | - | 1,271.99 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - |
| (v) Unbilled dues | - | - | - | - | - | - |
| Total | -3,23,88,126.61 | 3,23,89,398.60 | - | - | - | 1,271.99 |

As at March 31, 2021

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|---------------|--|----------|----------|------------------|---------------|
| | | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | |
| (i) MSME | - | - | - | - | - | - |
| (ii) Others | 208.05 | - | - | - | - | 208.05 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - |
| (v) Unbilled dues | - | - | - | - | - | - |
| Total | 208.05 | - | - | - | - | 208.05 |

16 Other Current Liabilities

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--|--------------------------|--------------------------|
| Statutory Dues | 266.64 | 69.07 |
| Salary Payable | 11.50 | - |
| Security Deposit received-From Vendors | 2.75 | - |
| Purchase Consideration Payable | 1.00 | 1.00 |
| Advance received from Customers | 280.47 | 600.00 |
| Total | 562.36 | 670.07 |

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Notes to the financial statements as of and for the year ended March 31, 2022

(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

17 Provisions

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|--------------------------|--------------------------|
| Provision for Employee Benefits | | |
| Provision for Gratuity | 0.03 | - |
| Provision for Leave Encashment | 19.02 | - |
| Provision for Income Tax (Net of advance tax) | 226.41 | 140.00 |
| Total | 245.45 | 140.00 |

18 Revenue from operations

| Particulars | Year ended 31st March 2022 | Year ended 31st March 2021 |
|-----------------------------------|-------------------------------|-------------------------------|
| a) Sale of Services | | |
| Primary Transport | 3,076.54 | 739.43 |
| Secondary Transportation Services | 2,581.62 | 1.33 |
| Administrative Services | 1,926.41 | 1,094.65 |
| Warehousing Services | 999.80 | - |
| Transportation Services | 12.43 | - |
| Management Charges | 850.47 | - |
| b) Other Operating Income | | |
| Scrap Sale | 0.29 | - |
| Reimbursement of Expenses | 66.19 | - |
| Total | 9,513.74 | 1,835.41 |

19 Other Income

| Particulars | Year ended 31st March 2022 | Year ended 31st March 2021 |
|-----------------------------------|-------------------------------|-------------------------------|
| Misc. Income | 0.22 | - |
| Interest Income- On Fixed Deposit | 0.30 | 0.87 |
| Balance written off | 0.08 | - |
| Total | 0.60 | 0.87 |

20 Freight & Warehousing Expenses

| Particulars | Year ended 31st March 2022 | Year ended 31st March 2021 |
|----------------------------------|-------------------------------|-------------------------------|
| Freight Primary Transportation | 3,211.47 | - |
| Freight Secondary Transportation | 2,739.39 | 525.39 |
| Fuel, Toll & Fastag Charges | 21.90 | 11.76 |
| Real Estate Rent & Brokerage | 1,020.46 | 252.45 |
| Others | 16.08 | 39.76 |
| Total | 7,009.30 | 829.36 |

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Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
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Notes to the financial statements as of and for the year ended March 31, 2022
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

21 Employee Benefits Expense

| Particulars | Year ended 31st March 2022 | Year ended 31st March 2021 |
|--------------------------------|-------------------------------|-------------------------------|
| Salaries and wages | 1,110.31 | 273.08 |
| Contribution to Provident fund | 46.42 | 12.36 |
| Staff welfare expenses | 28.29 | 12.42 |
| Total | 1,185.02 | 297.86 |

22 Other Expenses

| Particulars | Year ended 31st March 2022 | Year ended 31st March 2021 |
|------------------------------------|-------------------------------|-------------------------------|
| Payment to Auditors | 6.00 | 3.10 |
| Manpower Charges | 519.21 | 209.23 |
| Repair & Maintenance Expenses | 64.39 | 5.38 |
| Internet Charges | 63.18 | 1.96 |
| Electricity Charges | 21.76 | - |
| Office Expenses | 132.11 | - |
| Postage & Courier | 4.16 | - |
| Professional Fees | 42.41 | 54.21 |
| Travelling Expenses | 101.86 | 27.05 |
| Preliminary Exp. | - | 0.07 |
| Rates and Taxes | 2.33 | - |
| Software Maintenance | 22.80 | - |
| Subscription Charges | - | 3.57 |
| After Sale Services | 7.39 | - |
| Advertising & Promotional Expenses | 10.04 | - |
| Bank charges | 0.02 | - |
| Miscellaneous Expenses | 5.69 | 11.41 |
| Total | 1,003.35 | 315.98 |

| Payment to auditor comprises | Year ended 31st March 2022 | Year ended 31st March 2021 |
|------------------------------|-------------------------------|-------------------------------|
| As an auditor | 6.00 | 2.00 |
| Taxation matters | - | 1.10 |
| Total | 6.00 | 3.10 |

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
 CIN: U36900KA2020PTC139535
 Notes to the financial statements as of and for the year ended March 31, 2022
 (All the amounts are in Indian rupees lakhs, unless and otherwise stated)

23 Earnings per share

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Earnings per share (EPS) | | |
| Net profit for calculation of basic EPS (Profit after tax) | 293.46 | 252.27 |
| Weighted average number of equity shares in calculating basic and diluted EPS | 5,000,000 | 5,000,000 |
| Basic and diluted earnings per share | 0.06 | 0.05 |
| Face value per share | 10 | 10 |

24 Ratio Analysis and its element

| Ratio | Numerator | Denominator | As at March 31, 2022 | As at March 31, 2021 | % of change | Reason for variance (where the change in the ratio is more than 25% as compared to the preceding year) |
|---------------------------------|--|---|----------------------------|-------------------------|----------------|--|
| Current Ratio | Current Assets | Current Liabilities | 0.83 | 0.90 | -7.72% | |
| Debt-Equity Ratio | Total Debt | Shareholder's Equity | - | - | - | |
| Debt Service Coverage Ratio | Earnings for debt service = Net profit after taxes + Non-cash operating expenses | Debt service = Interest & Lease Payments + Principal Repayments | - | - | - | |
| Return on Equity Ratio | Net Profits after taxes - Preference Dividend | Average Shareholder's Equity | 0.54 | 1.00 | -46.28% | No Operations were carried out during the Financial Year 2020-21 compared to the current Financial Year. |
| Inventory Turnover Ratio | Cost of goods sold | Average Inventory | - | - | - | |
| Trade Receivable Turnover Ratio | Net credit sales = Gross credit sales - sales return | Average Trade Receivable | 11.21 | - | 100.00% | No Operations were carried out during the Financial Year 2020-21 compared to the current Financial Year. |
| Trade Payable Turnover Ratio | Net credit purchases = Gross credit purchases - purchase return | Average Trade Payables | - | - | - | |
| Net Capital Turnover Ratio | Net sales = Total sales - sales return | Working capital = Current assets - Current liabilities | -26.54 | -17.54 | 100.00% | No Revenue is generated in the previous Financial Year. |
| Net Profit Ratio | Net Profit | Net sales = Total sales - sales return | 0.03 | - | 100.00% | No Revenue is generated in the previous Financial Year. |
| Return on Capital Employed | Earnings before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | 0.57 | 1.56 | -63.31% | No Operations were carried out during the Financial Year 2020-21 compared to the current Financial Year and Revenue for the current year is increased drastically compared to Previous Year. |
| Return on Investment | Interest (Finance Income) | Investment | - | - | - | |

25 Contingent liabilities and Capital commitments

There are no capital commitments and contingent liabilities at the end of the year

26 Disclosure pursuant to Indian Accounting Standard – 19 'Employee Benefits' Gratuity (Defined benefit plan)

The Company operates gratuity benefit plan, for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on

The following tables set out disclosures prescribed by Indian Accounting Standard – 19 'Employee Benefits' in respect of the Company's unfunded gratuity plan.

Net employee benefit expense recognized in the employee cost

| Particulars | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|---|---------------------------------------|---------------------------------------|
| Current service cost | 16.08 | - |
| Interest cost on benefit obligation | - | - |
| Net actuarial gain recognized in the year | - | - |
| Net benefit expense | 16.08 | - |

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)

CIN: U36900KA2020PTC139535

Notes to the financial statements as of and for the year ended March 31, 2022

(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

Balance Sheet

Benefit asset/ liability

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|--------------------------|--------------------------|
| Present value of defined benefit obligation | 16.08 | - |
| Plan liability | 16.08 | - |

Changes in the present value of the defined benefit obligation are as follows:

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|--------------------------|--------------------------|
| Opening defined benefit obligation | - | - |
| Current service cost | 16.08 | - |
| Interest cost | - | - |
| Benefits paid | - | - |
| Actuarial gain on obligation | - | - |
| Closing defined benefit obligation | 16.08 | - |

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|------------------------|--------------------------|--------------------------|
| Discount rate | 7.52% | - |
| Attrition rate | 10% | - |
| Salary Escalation rate | 8.00% | - |
| Retirement age | 58 | - |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand

27 Related party transaction

A. Names of related parties and their relationship

| | |
|---|---|
| Holding Company | : Kurlon Enterprise Limited |
| Ultimate Holding Company | : Kurlon Limited |
| Key Management Personnel | : Jamsheed Minoor Pandey : Ashish Vilas Pradhan |
| Fellow Subsidiaries | : Kurlon Retail Limited : Komfort Universe Products & Services : Kanvas Concepts Private Limited : Belvadore International Limited : Manipal Travels (I) Pvt Ltd : Sevalal Solar Private Limited : Sirar Dhotre Solar Private Limited |
| Entity in which director has interest | : M/s. Anant Solar Systems |
| Enterprises owned or significantly influenced by Key Management Personnel/Director or their relatives | : Kurlon Limited : Sevalal Solar Private Limited : Sirar Dhotre Solar Private Limited |

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
CIN: U36900KA2020PTC139535

Notes to the financial statements as of and for the year ended March 31, 2022

(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

B. Related parties under Ind AS 24 with whom transactions have taken place during the year

Holding Company : Kurlon Enterprise Ltd
Enterprises owned or significantly influenced by Key Management : Kurlon Limited

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

| Name | Nature of transaction | As at 31 March 2022 | As at 31 March 2021 |
|-------------------------------|--|------------------------|------------------------|
| M/s Kurlon Enterprise Limited | Supply of Services-Primary transport | 8,02,38,710.58 | - |
| M/s.Kurlon Enterprise Limited | Supply of Services-Secondary transport | 26,28,59,132.65 | - |
| M/s Kurlon Enterprise Limited | Supply of Warehousing Services | 10,56,95,757.71 | - |
| M/s.Kurlon Enterprise Limited | Supply of Admin & Management Services | 22,39,16,593.45 | - |
| M/s.Kurlon Limited | Rent paid | 4,36,730.00 | - |
| M/s. Starship Global VCT LLP | Primary transport Services taken | 2,38,86,466.00 | - |
| M/s. Starship Global VCT LLP | Secondary transport Services taken | 38,46,297.00 | - |
| M/s. Starship Global VCT LLP | Warehousing Services taken | 84,48,926.00 | - |
| M/s. Starship Global VCT LLP | Administration services taken | 57,16,239.00 | - |

C. Balances with related parties as on 31 March, 2022 and 31 March, 2021

| Name | Nature of transaction | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------------|-----------------------|------------------------|------------------------|
| M/s Kurlon Enterprise Limited | Trade Payables | 3,20,056.6 | - |
| M/s.Kurlon Limited | Trade Payables | 2,757.6 | - |
| M/s Manipal Travels (I) Pvt Ltd | Trade Payables | 2,951.0 | - |
| M/s.Kurlon Enterprise Limited | Trade Receivables | 11,31,93,226.67 | - |

28 Financial Instruments

A- Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all equity reserves attributable to the equity holders of the Company. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Total Equity Attributable to the Equity Shareholders of the Company | 545.23 | 251.77 |
| As a percentage of Total Capital | 99.31% | 99.93% |
| Current Borrowings | 3.83 | 0.18 |
| Non-Current Borrowings | - | - |
| Total Borrowings | 3.83 | 0.18 |
| As a percentage of Total Capital | (0.70)% | (0.07)% |
| Total Capital Structure | 549.06 | 251.94 |

The Company is predominantly equity financed which is evident from the capital structure table.

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)

CIN: U36900KA2020PTC139535

Notes to the financial statements as of and for the year ended March 31, 2022

(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

B - Categories of Financial Instruments

The carrying amounts and fair values of the financial instruments by class are as follows:

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|-----------------------------------|------------------------|------------------------|
| Financial Assets | | |
| Measured at Amortised Cost | | |
| Current Assets | | |
| - Trade Receivables | 1,268.63 | 429.45 |
| - Cash and Cash Equivalents | 334.45 | 482.80 |
| TOTAL | 1,603.08 | 912.25 |
| Financial Liabilities | | |
| Measured at Amortised Cost | | |
| Current Liabilities | | |
| - Trade Payables | 1,271.99 | 208.05 |
| TOTAL | 1,271.99 | 208.05 |

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other

1. The Company has disclosed financial instruments such as trade and other payables, cash and cash equivalents and other bank balances at carrying value because their
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the

C - Financial Risk Management

The Company's principal financial liabilities, comprise of trade and other payables.

The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents that are

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk

This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and

The management reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of

(i) Interest Rate Risk

Interest rate is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. however there are no

(ii) Interest rate risk management & Sensitivity Analysis

There are no interest bearing financial instrument as at the reporting date.

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
CIN: U36900KA2020PTC139535

Notes to the financial statements as of and for the year ended March 31, 2022

(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

(b) Credit Risk :

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its

Financial Instruments and Cash & Bank Deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of The Company's maximum exposure to credit risk for the components of the balance sheet at 31st March 2022 is the carrying amounts which are given below.

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|-----------------------------|------------------------|------------------------|
| Current Assets | | |
| - Cash and Cash Equivalents | 334.45 | 482.80 |
| Total | 334.45 | 482.80 |

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times

Maturity Profile of Financial Liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date:

| Particulars | Carrying Value | Less than 1 year | 1 to 5 years |
|--------------------------------|-----------------|------------------|--------------|
| As at 31 March, 2022 | | | |
| Current Liabilities | | | |
| Trade | 1,271.99 | 1,271.99 | - |
| Total | 1,271.99 | 1,271.99 | - |
| As at 31 March, 2021 | | | |
| Current Liabilities | | | |
| Trade Payables (refer note 10) | 208.05 | 208.05 | - |
| Total | 208.05 | 208.05 | - |

29 Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

The fair value hierarchy of assets and liabilities measured at fair value as of 31 March 2022 is as follows:

| Particulars | Total (Carrying Value) | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|--|------------------------|---|---|---|
| Financial Assets | | | | |
| Measured at Amortised Cost | | | | |
| Current Assets | | | | |
| Trade receivables (refer note 7) | 1,268.63 | - | - | 1,268.63 |
| Cash and cash equivalents (refer note 8) | 334.45 | - | - | 334.45 |
| Total | 1,603.08 | - | - | 1,603.08 |
| Financial Liabilities | | | | |
| Measured at Amortised Cost | | | | |
| Current Liabilities | | | | |
| Trade Payables (refer note 13) | 1,271.99 | - | - | 1,271.99 |
| Total | 1,271.99 | - | - | 1,271.99 |

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
CIN: U36900KA2020PTC139535

Notes to the financial statements as of and for the year ended March 31, 2022

(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

30 Other statutory information

- i. The company doesn't have immovable properties as at 31st March 2022.
- ii. During the year, the Company has not revalued its Property, Plant and Equipments and Intangible Assets
- iii. The company has not granted any Loans or Advances to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or
- iv. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- v. The Company has not borrowed from banks or financial institutions. Hence, the company has not filed any statements with the Banks or financial institutions.
- vi. The Company has not been declared as wilful defaulter by any bank or financial institutions or other lenders.
- vii. The Company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- viii. The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- ix. The company has not entered into any transaction which are prescribed under Clause (87) of Section 2 of the Act read with Companies (Restriction on number of Layers)
- x. The Company has not entered into any Scheme of Arrangement which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies
- xi. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- xii. The Company has not borrowed any funds from Banks or financial institution. Hence, reporting of usage of borrowings from banks and financial statements for the
- xiii. The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessment under the Income Tax

31 Corporate Social Responsibility

The Company is not required to contribute towards Corporate Social Responsibility ("CSR") as required by Schedule VII of the Act, as the Company does not meet criteria

32 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020.

33 Prior Period Comparatives

Previous year figures are reclassified / re-grouped to confirm this year's classification.

In terms of our report of even date

For ASA & Associates LLP

Chartered Accountants

Firm Registration No. 009571N/N500006

Vinay K S

Partner

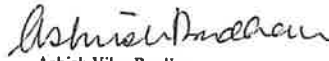
Membership Number : 223085

Place: Bangalore

Date:

For and on behalf of Board of Directors of

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship



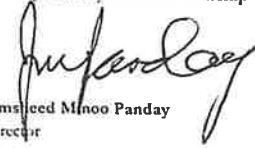
Ashish Vilas Pradhan

Director

DIN: 08630024

Place: Bangalore

Date:


Jamsheed Minoor Panday

Director

DIN: 00232768

Place: Bangalore

Date:

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)

Balance sheet as at 31st March 2023

(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

| Particulars | Note No. | As at March 31, 2023 | As at March 31, 2022 |
|--|----------|----------------------|----------------------|
| I. ASSETS | | | |
| A. Non current assets | | | |
| a) i) Property Plant & Equipment | 3(a) | 39.35 | 32.25 |
| ii) Right Use Asset | 3(b) | 2,624.07 | - |
| iii) Capital Work In Progress | 4 | - | 16.90 |
| b) Deferred Tax Assets (net) | 5 | 27.55 | 68.21 |
| c) Financial Assets | | | |
| i) Other Financial assets | 6 | 247.74 | 311.30 |
| d) Other non current assets | 7 | 868.11 | 491.08 |
| | | 3,806.82 | 919.74 |
| B. Current assets | | | |
| a) Financial assets | | | |
| i) Trade receivables | 8 | 856.22 | 1,268.63 |
| ii) Cash and cash equivalents | 9 | 46.10 | 334.45 |
| b) Other current assets | 10 | 71.77 | 122.11 |
| Total current assets | | 974.09 | 1,725.19 |
| TOTAL ASSETS | | 4,780.91 | 2,644.93 |
| II. EQUITY AND LIABILITIES | | | |
| A. EQUITY | | | |
| a) Equity Share Capital | 11 | 0.50 | 0.50 |
| b) Other Equity | 12 | 787.69 | 544.74 |
| Total Equity | | 788.19 | 545.24 |
| B. LIABILITIES | | | |
| Non Current Liabilities | | | |
| a) Financial Liabilities | | | |
| i) Lease Liability | 3(b) | 2,040.96 | - |
| b) Long term Provisions | 13 | 70.43 | 16.05 |
| | | 2,111.39 | 16.05 |
| 1. Current Liabilities | | | |
| a) Financial Liabilities | | | |
| i) Short Term Borrowings | 14 | 2.16 | 3.83 |
| ii) Lease Liability | 3(b) | 644.58 | - |
| iii) Trade Payables | | | |
| - total outstanding dues of micro and small enterprises and | | | |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 15 | 537.28 | 1,271.99 |
| d) Other financial liabilities | 16 | 14.73 | 11.50 |
| b) Other current liabilities | 17 | 501.05 | 550.86 |
| c) Short term provisions | 18 | 181.53 | 245.46 |
| | | 1,881.33 | 2,083.64 |
| TOTAL EQUITY AND LIABILITIES | | 4,780.91 | 2,644.93 |

Summary of Significant Accounting Policies


The accompanying notes form an integral part of the financial statements

As per our report of even date
for ASA & Associates LLPChartered Accountants
Firm Registration No. 009571N/N500006


Vinay K S
Partner
Membership Number : 223085

Place: Bangalore
Date: 28/07/2023For and on behalf of Board of Directors of
Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship
Manufacturing and Services Private Limited)


Ashish Vilas Pradhan
Director
DIN: 08630024

Place: Bangalore
Date: 28/07/2023


Jamsheed Minoo Panday
Director
DIN: 00232768

Place: Bangalore
Date: 28/07/2023

1206

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)

Statement of profit and loss for the year ended 31st march 2023

(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

| Particulars | Note No. | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|----------|-----------------------------------|-----------------------------------|
| Income | | | |
| Revenue from contract with Customers | 19 | 10,530.86 | 9,513.75 |
| Other Operating Income | 20 | 14.47 | 0.60 |
| Total income | | 10,545.33 | 9,514.35 |
| Expenses | | | |
| Freight, handling and servicing cost | 21 | 6,841.89 | 7,009.30 |
| Employee Cost | 22 | 1,388.80 | 1,185.02 |
| Finance Cost | 23 | 189.91 | - |
| Depreciation | 24 | 609.26 | 5.01 |
| Other Expenses | 25 | 1,056.30 | 1,003.35 |
| Total Expenses | | 10,086.16 | 9,202.68 |
| Profit/(Loss) before tax | | 459.17 | 311.67 |
| Tax Expense | | | |
| Current Tax | 26 | 176.38 | 86.41 |
| Deferred Tax | | 40.43 | (68.21) |
| | | 216.81 | 18.20 |
| Profit/(Loss) for the year | | 242.36 | 293.47 |
| Other comprehensive income | | | |
| (i) Items that will not be reclassified subsequently to profit or loss | | 0.82 | - |
| (ii) Income tax relating to items that will not be reclassified subsequently to profit or loss | | -0.23 | - |
| (iii) Items that will be reclassified subsequently to profit or loss | | - | - |
| (iv) Income tax relating to items that will be reclassified subsequently to profit or loss | | - | - |
| Total other comprehensive income | | 0.59 | - |
| Total Comprehensive Income/ (loss) for the year | | 242.95 | 293.47 |
| Earnings per equity share: | | | |
| Basic | | 4,859.01 | 5,869.34 |
| Diluted | | 4,859.01 | 5,869.34 |

Summary of Significant Accounting Policies

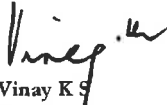
The Accompanying notes form an integral part of the financial statements

As per our report of even date

For ASA & Associates LLP

Chartered Accountants

Firm Registration No. 009571N/N500006


Vinay K S

Partner

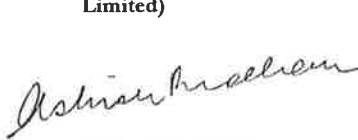
Membership Number : 223085

Place: Bangalore

Date: 28/07/2023

for and on behalf of the Board of Directors of

**Starship Value Chain & Manufacturing Private Limited
(Formerly known as Starship Manufacturing and Services Private Limited)**


Ashish Vilas Pradhan

Director

Director

DIN: 08630024

Place: Bangalore

Date: 28/07/2023


Jamsheed Minoo Panday

Director

Director

DIN: 00232768

Place: Bangalore

Date: 28/07/2023

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
Cash Flow Statement for the year ended 31 March 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

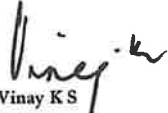
| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|-----------------------------------|-----------------------------------|
| A Cash flow from operating activities | | |
| Net profit before tax | 459.99 | 311.67 |
| Adjustments for: | | |
| Depreciation | 609.26 | 5.01 |
| Interest income | 0.59 | - |
| Operating profit before working capital changes | 1,069.84 | 316.68 |
| Adjustments for: | | |
| Decrease/(increase) in Trade Receivables | 412.41 | -839.18 |
| Decrease/(increase) in other current assets | 50.34 | -120.71 |
| Decrease/(increase) in other non current assets and others | -313.47 | -526.22 |
| Increase/(decrease) in Trade Payables | -734.71 | 1,063.94 |
| Increase/(decrease) in other current liabilities | -49.82 | -107.71 |
| Increase/(decrease) in provisions | -63.93 | 121.47 |
| Increase/(decrease) in other financial liabilities | 3.23 | - |
| Increase in Right to Use Asset | -3,233.33 | - |
| Increase in Lease Liability | 2,685.55 | - |
| Increase in Long Term Provisions | 54.38 | - |
| Cash generated from operations | -119.51 | -91.73 |
| Income tax paid/(To be paid) | 176.38 | 18.20 |
| Net cash flow from operating activities | -295.89 | -109.93 |
| B Cash flow from investing activities | | |
| Proceeds from/(Purchase) of Property, Plant and Equipment including CWIP | 9.80 | -48.06 |
| Interest Income | -0.59 | - |
| Net cash used in Investing activities | 9.21 | -48.06 |
| C Cash flow from financing activities | | |
| Proceeds/(Repayment) of Short Term Borrowings | -1.67 | 3.66 |
| Deposits with bank | - | 5.98 |
| Net cash used in financing activities | -1.67 | 9.64 |
| Net increase in cash & cash equivalents | -288.35 | -148.35 |
| Cash and cash equivalents at the beginning of the year | 334.45 | 482.80 |
| Cash and cash equivalents at the end of the year | 46.10 | 334.45 |

Summary of Significant Accounting Policies

As per our report of even date

for ASA & Associates LLP


Chartered Accountants



Vinay K S
Partner
Membership Number : 223085

Place: Bangalore
Date: 28/07/2023

For and on behalf of Board of Directors of

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)


Ashish Vilas Pradhan
Director
DIN: 08630024


Jansheed Minoo Panday
Director
DIN: 00232768

Place: Bangalore
Date: 28/07/2023

Place: Bangalore
Date: 28/07/2023

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Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
Statement of Changes in Equity for the year ended 31 March 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

a. Equity Share Capital

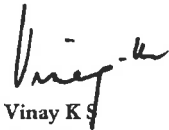
| Particulars | Amount |
|--|--------|
| As at 1st April, 2021 | 0.50 |
| Changes in equity share capital during the year due to prior period errors | - |
| Restated balance as at 31st March 2022 | 0.50 |
| Changes in equity share capital during the year | - |
| As at 31st March, 2023 | 0.50 |

b. Other Equity

| Particulars | Reserves and Surplus | | | Total |
|---|----------------------|-----------------|-------------------|--------|
| | Securities Premium | Capital Reserve | Retained Earnings | |
| As at 1st April, 2021 | - | - | 251.27 | 251.27 |
| Profit for the year | - | - | 293.47 | 293.47 |
| Other Comprehensive Income for the year | - | - | - | - |
| Balance as at March 31, 2022 | - | - | 544.74 | 544.74 |
| Profit for the year | - | - | 242.95 | 242.95 |
| Other Comprehensive Income for the year | - | - | - | - |
| Balance as at March 31, 2023 | - | - | 787.69 | 787.69 |

As per our report of even date
For ASA & Associates LLP

Chartered Accountants
Firm Registration No. 009571N/N500006



Vinay K S

Partner
Membership Number : 223085

Place: Bangalore
Date: 28/07/2023

For and on behalf of Board of Directors of

Starship Value Chain & Manufacturing Private Limited (Formerly known as
Starship Manufacturing and Services Private Limited)



Ashish Vilas Pradhan
Director
DIN: 08630024

Place: Bangalore
Date: 28/07/2023



Jamsheed Minoo Panday
Director
DIN: 00232768

Place: Bangalore
Date: 28/07/2023

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
Notes to the financial statements as of and for the year ended March 31, 2023

1. CORPORATE INFORMATION

Starship Value chain and Manufacturing Private Limited was incorporated in Karnataka on 09.10.2020. The Company is a wholly owned subsidiary company of Kurlon Enterprise Limited and is engaged in the business as a manufacturer, designers, buyers, sellers, importers, exporters, workers, transporters, suppliers of all types of home comfort products, home decor items including furniture, mattresses, pillows, cushions, perfumers on retail and to manufacture of all types of furniture equipment appliances for domestic, office, industrial as well as on wholesale basis in India as well as outside India.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Application of Indian Accounting Standards

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the Financial Statements are authorised have been considered in preparing these Financial Statements. There is no other Indian Accounting Standard that has been issued as of that date, but not mandatorily effective.

B. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with the provisions of Companies Act 2013 ("the Act") and Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, issued by the Ministry of Corporate Affairs in exercise of powers conferred by section 133 of the Act.

C. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared on an accrual basis and under the historical cost convention basis. The accounts of the company have been prepared on a going concern basis.

Ministry of Corporate Affairs ("MCA") through a notification dated March 24, 2021, amended Division II of Schedule III of the Companies Act, 2013 and applicable for the reporting period beginning on or after April 1, 2021. The amendment encompasses certain additional disclosure requirements. The Company has applied and incorporated the requirements of amended Division II of Schedule III of the Companies Act, 2013, to the extent applicable on it while preparing these financial statements.

The operating cycle in the normal course has been identified to have a duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS – 1 "Presentation of Financial Statements" and Schedule – III to the Companies Act, 2013.

The Balance sheet, the Statement of Profit and Loss and the statements of Changes in Equity are prepared in the format prescribed in Schedule III to the Act. The Cash Flow Statement has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the Ind AS.

The Financial Statements are presented in Indian Rupees and all values are rounded off to two decimal lakh except as otherwise stated.

D. USE OF ESTIMATES

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense prospectively.



Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)

Notes to the financial statements as of and for the year ended March 31, 2023

E. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at costs less accumulated depreciation (other than freehold land) and impairment loss, if any.

The cost includes purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Lease rentals and premium for lease hold are amortized over the primary lease period.

Depreciation is provided for property, plant and equipment on the straight-line method over the estimated useful life from the date the assets are ready for intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss

Capital work in progress

Amount paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.

The capital work- in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

II Assets which are depreciated over useful life/residual value indicated by Schedule II are as follows:

| Asset Class | Life as per Schedule II |
|-----------------------------------|-------------------------|
| Office Equipment's | 05 years |
| Furniture & Fixtures | 10 years |
| Computers & data processing units | 03 years |

Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

F INTANGIBLE ASSETS

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Intangible assets are amortized on a straight line basis over their estimated useful lives from the date that they are available for use.

The estimated useful lives of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss arising from Derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised/disposed

G Investments & financial assets

i) Classification

The Company classifies its financial assets in the following measurement categories :-

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows.

ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value in the case of 'financial asset not at fair value through profit or loss', transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at 'fair value through profit or loss' are expensed in profit or loss.



Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)

Notes to the financial statements as of and for the year ended March 31, 2023

Financial assets carried at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income:

A financial asset is subsequently measured at fair value through other comprehensive income (FVOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through profit or loss:

Assets that do not meet the criteria for amortised cost, are measured at fair value through profit or loss e.g. investments in mutual funds. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

iii) Derecognition of financial assets

A financial asset is derecognised only when Company has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

H. REVENUE RECOGNITION

The Company recognises revenue from contracts with customers based on a five step model as set out in IndAS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer that are distinct.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

Company recognises revenue at a point in time when it satisfies a performance obligation by transferring promised goods to a customer. An asset is transferred when the customer obtains control of the same.

When the company satisfies a performance obligation by delivering the promised service it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Other Income

Other Income shall be required when company satisfies the respective performance obligation.

Interest Income

Interest income from Financial assets (Rent deposits) is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial asset but does not consider the expected credit losses.

I. TAXATION

Current tax is determined based on the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognized on timing differences: being the difference between the taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets and liabilities are recognised at the rate that have been enacted or substantively enacted by the Balance sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognized only to the extent that there is reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



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Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
Notes to the financial statements as of and for the year ended March 31, 2023

J PROVISIONS AND CONTINGENT LIABILITIES

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

K EARNINGS PER SHARE (EPS)

Basic earnings per share amounts are computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

L Retirement Benefits- Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plans. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The entity determines the defined benefit liability/asset annually by referring the same for valuation by a qualified actuary. The qualified actuary valued the defined benefit obligation by using the projected unit credit method. The amounts recognised in the financial statements are based on such actuarial valuation. Such determination of defined benefit obligations takes into account any practices of constructive obligations. The obligations (in respect of each material plan) are recognised in the financial statements

In Statement of Profit & Loss

- (i) Current service cost
- (ii) Any past service cost and gain or loss on settlement
- (iii) Net interest on net defined benefit liability

In Other comprehensive income

- (i) Actuarial gains and losses
- (ii) Return on plan assets, excluding amounts included in net interest on the net defined benefit liability
- (iii) Any change in the effect of asset ceiling

In the Balance sheet, the net defined benefit/asset is separately recognised and in respect of surplus in a defined plan, the net defined asset is measured at lower of

- a) Surplus in the defined benefit plan and
- b) The asset ceiling

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Corporation recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Long-term employee benefits

The Other long-term benefits that arise consequent to employment contracts are recognised in Statement of Profit & Loss as

- (i) Service cost
- (ii) Net interest on net defined benefit liability
- (iii) Re-measurements of the net defined benefit liability

Long term paid absences and other long-term employee benefits are provided for on the basis of an actuarial valuation, using projected unit credit method, as at each balance sheet date.

M CASH AND CASH EQUIVALENTS

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

N CASH FLOW STATEMENT

The entity reports the cash flow from

- a) operating activities using indirect method by adjusting the profit or loss for the effects of transactions of non-cash nature, deferrals or accruals of past or future cash receipts or payments and item of income or expense associated with investing or financing cash flows.
- b) From investing and financing activities by reporting separately the major cash receipts and cash payments that arises from investing and financing activities except to the extent permitted to be reported on net basis by IND AS -7.



Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
Notes to the financial statements as of and for the year ended March 31, 2023

O Leases

The lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- (1) the contract involves the use of an identified asset;
- (2) the company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (3) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

P. Impact Assessment on Ind AS amendments applicable for FY 2023-24:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.



Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
Notes to the financial statements as of and for the year ended March 31, 2023

3(a). Property, Plant and Equipment

| Particulars | Equipments | Furniture & Fixtures | Computers & Softwares | Total |
|----------------------------------|--------------|----------------------|-----------------------|--------------|
| As on 1st April 2021 | 1.10 | - | 3.66 | 4.76 |
| Additions | 24.97 | 6.06 | 2.28 | 33.31 |
| Disposals/ adjustments | - | - | - | - |
| At 31 March 2022 | 26.07 | 6.06 | 5.94 | 38.07 |
| As on 1st April 2022 | 26.07 | 6.06 | 5.94 | 38.07 |
| Additions | 3.16 | - | 12.60 | 15.76 |
| Disposals/ adjustments | - | - | - | - |
| At 31 Mar 2023 | 29.23 | 6.06 | 18.54 | 53.83 |
| Accumulated Depreciation: | | | | |
| As on 1st April 2021 | 0.08 | - | 0.73 | 0.81 |
| Depreciation expense | 2.75 | 0.36 | 1.91 | 5.01 |
| Disposals/ adjustments | - | - | - | - |
| At 31 March 2022 | 2.83 | 0.36 | 2.64 | 5.82 |
| As on 1st April 2022 | 2.83 | 0.36 | 2.64 | 5.83 |
| Depreciation expense | 5.47 | 0.57 | 2.61 | 8.65 |
| Disposals/ adjustments | - | - | - | - |
| At 31 Mar 2023 | 8.30 | 0.93 | 5.25 | 14.48 |
| Net carrying value: | | | | |
| At 31 March 2023 | 20.93 | 5.13 | 13.29 | 39.35 |
| At 31 March 2022 | 23.24 | 5.70 | 3.30 | 32.25 |



Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)

Notes to the financial statements as of and for the year ended March 31, 2023

3(b) Right on Use of Assets

| Particulars | Leasehold Building | Total |
|----------------------------------|--------------------|----------|
| Gross block: | | |
| As on 1st April 2021 | - | - |
| Additions | - | - |
| Disposals/ adjustments | - | - |
| As on 31st Mar 2022 | - | - |
| As on 1st April 2022 | - | - |
| Additions | 3,224.68 | 3,224.68 |
| Disposals/ adjustments | - | - |
| As on 31st March 2023 | - | - |
| | 3,224.68 | 3,224.68 |
| Accumulated Depreciation: | | |
| As on 1st April 2021 | - | - |
| Depreciation expense | - | - |
| Disposals/ adjustments | - | - |
| As on 31st Mar 2022 | - | - |
| As on 1st April 2022 | - | - |
| Depreciation expense | - | - |
| Additions | 600.61 | 600.61 |
| Disposals/ adjustments | - | - |
| As on 31st March 2023 | - | - |
| | 600.61 | 600.61 |
| Net carrying value: | | |
| As on 31st March 2023 | 2,624.07 | 2,624.07 |
| At 31 March 2022 | - | - |

ii) The following is the movement in lease liabilities during the period ended 31 March 2023:

| Particulars | Leasehold Building | Total |
|--|--------------------|----------|
| Balance as at 01 April 2021 | - | - |
| Additions | - | - |
| Finance cost accrued during the period | - | - |
| Deletions | - | - |
| Payments | - | - |
| Balance as at 31 March 2022 | - | - |
| Balance as at 01 April 2022 | - | - |
| Additions | 3148.18 | 3148.18 |
| Finance cost accrued during the period | 189.91 | 189.91 |
| Deletions | - | - |
| Payments | 652.55 | 652.55 |
| Balance as at 31st March 2023 | 2,685.54 | 2,685.54 |

iii) The following is the break-up of current and non-current lease liabilities:

| Particulars | As at 31 March 23 | As at 31 March 22 |
|-------------------------------|----------------------|----------------------|
| Current lease liabilities | 644.58 | - |
| Non-current lease liabilities | 2040.96 | - |
| Total | 2685.54 | - |

The company has recognised the following expenses in the statement of profit and loss:

| Particulars | Year ended March 31, 2023 |
|---|---------------------------|
| Interest expenses on lease liabilities | 189.91 |
| Rent expenses recognised under the head rent pertaining to: | |
| Leases with less than twelve months of lease term | 329.46 |

Payment towards leases with less than twelve months of lease term is disclosed under operating activities in the statement of cash flows. All other lease payments are disclosed under financing activities in the statement of cash flows.



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Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
Notes to the financial statements as of and for the year ended March 31, 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

4 Capital Work in Progress

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------------------|--------------------------|
| Opening balance | 16.90 | 2.15 |
| Add: Additions during the year | - | 14.75 |
| Less: Transferred to Assets and expensed | 16.90 | - |
| Closing balance | - | 16.90 |

Capital Work in Progress aging schedule

As at 31st March 2023

| CWIP | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |
| Total | - | - | - | - | - |

As at 31st March 2022

| CWIP | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | - | 16.90 | - | - | 16.90 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | - | 16.90 | - | - | 16.90 |

5 Deferred Tax Assets (Net)

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---|--------------------------|--------------------------|
| Deferred tax asset | | |
| Fixed assets : Impact of difference between tax depreciation and depreciation charged for the financial reporting | -10.95 | - |
| Provision for gratuity | 9.27 | 4.18 |
| Provision for leave encashment | 11.75 | 4.95 |
| Lease Liability | 17.10 | - |
| Disallowance under Sec 40a(i) | 0.38 | 59.08 |
| Net deferred tax (asset)/liability | 27.55 | 68.21 |
| Deferred tax charge/(credit) for the year | 40.66 | (68.21) |

6 Other Financial assets

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---|--------------------------|--------------------------|
| Security Deposits | 236.17 | 311.30 |
| Bank balances with more than 12 months maturity | 11.57 | - |
| Total | 247.74 | 311.30 |

7 Other Non current Assets

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------------------------|--------------------------|--------------------------|
| Unsecured considered good | | |
| Advance Tax and TDS | 868.11 | 491.08 |
| Total | 868.11 | 491.08 |

8 Trade receivables

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|-----------------------------|--------------------------|--------------------------|
| Unsecured, considered good | | |
| Considered good - unsecured | 856.22 | 1,268.63 |
| Total | 856.22 | 1,268.63 |



Trade receivables Ageing Schedule
As at 31 March 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|--------------------|-------------------|-----------|-----------|-------------------|---------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables – considered good | 798.60 | 30.58 | 1.05 | - | - | - | 830.23 |
| Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - | - |
| Disputed Trade receivable – considered good | - | - | - | - | - | - | - |
| Disputed Trade receivable – considered doubtful | - | - | - | - | - | - | - |
| Unbilled dues | 25.99 | - | - | - | - | - | 25.99 |
| Total | 824.59 | 30.58 | 1.05 | - | - | - | 856.22 |

As at 31 March 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|--------------------|-------------------|-----------|-----------|-------------------|-----------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables – considered good | - | 1,268.63 | - | - | - | - | 1,268.63 |
| Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - | - |
| Disputed Trade receivable – considered good | - | - | - | - | - | - | - |
| Disputed Trade receivable – considered doubtful | - | - | - | - | - | - | - |
| Unbilled dues | - | - | - | - | - | - | - |
| Total | - | 1,268.63 | - | - | - | - | 1,268.63 |

9 Cash and cash equivalents

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------------------|--------------------------|--------------------------|
| Cash In Hand | - | 0.50 |
| Balances with Banks | | |
| In current accounts | 46.10 | 327.97 |
| Deposits with Bank | - | 5.98 |
| Total | 46.10 | 334.45 |

10 Other current assets

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|-------------------------------------|--------------------------|--------------------------|
| Advances paid to vendors | 47.92 | 11.15 |
| Advances to Staff | 4.43 | 12.97 |
| Balance with government authorities | - | 85.64 |
| Prepaid expenses | 14.16 | 12.35 |
| Advances to be received from vendor | 5.26 | - |
| Total | 71.77 | 122.11 |



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Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
Notes to the financial statements as of and for the year ended March 31, 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

11 Equity Share Capital

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---|--------------------------|--------------------------|
| Authorised Share Capital | | |
| 5,000 (31st March 2022: 5,000) Equity Shares of Rs. 10/- each | 0.50 | 0.50 |
| Issued, Subscribed and fully paid up | | |
| 500,000 (31st March 2022: 5,000) Equity Shares of Rs. 10/- each | 0.50 | 0.50 |
| Total | 0.50 | 0.50 |

a) Reconciliation of No. of shares - Equity Shares

| Particulars | 31st March 2023 | | 31st March 2022 | |
|--|-----------------|-------------|-----------------|-------------|
| | No. of Shares | Amount (Rs) | No. of Shares | Amount (Rs) |
| Balance as at the beginning of the year | 5,000.00 | 0.50 | - | - |
| Add: Shares Issued during the year | - | - | 5,000.00 | 0.50 |
| Less: Shares bought back during the year | - | - | - | - |
| Balance as at the end of the year | 5,000.00 | 0.50 | 5,000.00 | 0.50 |

b) Rights, preferences, and restriction attached to shares.

The company has only one class of equity shares having par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting except, in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining asset of the company after distribution of all preferential amount, in the proportion of their shareholding.

c) Details of Shares held by the Holding Company:

| Particulars | 31st March 2023 | | 31st March 2022 | |
|------------------------|-----------------|--------------|-----------------|--------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Kurlon Enterprise Ltd. | 4,990.00 | 99.80% | 4,990.00 | 99.80% |

d) Shareholders holding more than 5% of total paid up capital

| Particulars | 31st March 2023 | | 31st March 2022 | |
|------------------------|-----------------|--------------|-----------------|--------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Kurlon Enterprise Ltd. | 4,990.00 | 99.80% | 4,990.00 | 99.80% |

e) Shares held by promoters

| Promoter Name | As at 31st March 2023 | | | As at 31st March 2022 | | |
|------------------------|-----------------------|-------------------|--------------------------|-----------------------|-------------------|--------------------------|
| | No. of shares | % of total shares | % change during the year | No. of shares | % of total shares | % change during the year |
| Equity Share capital | | | | | | |
| Kurlon Enterprise Ltd. | 4,990.00 | 99.8% | No change | 4,990.00 | 99.8% | No Change |

12 Other Equity

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------------------|--------------------------|
| Retained Earnings | | |
| Opening balance | 544.74 | 251.27 |
| Add : Net Profit/(Net Loss) for the year | 242.95 | 293.47 |
| Closing Balance | 787.69 | 544.74 |
| Total | 787.69 | 544.74 |



Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
Notes to the financial statements as of and for the year ended March 31, 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

13 Long Term Provision

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------------------|--------------------------|
| Provision for Employee Benefits | | |
| Provision for Gratuity | 33.27 | 16.05 |
| Provision for Leave Encashment | 37.16 | - |
| Closing Balance | 70.43 | 16.05 |

14 Short Term Borrowings

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|--------------------------------------|--------------------------|--------------------------|
| Loans & advances -Secured | | |
| Axis Bank Credit Card * | 2.16 | 3.83 |
| Closing Balance | 2.16 | 3.83 |

15 Trade Payables

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------------------|--------------------------|
| - total outstanding dues of micro enterprises and small enterprises; and | - | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 537.28 | 1,271.99 |
| Total | 537.28 | 1,271.99 |

Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to dues to Micro, Small and Medium enterprises. Based on the information available with the Company and based on the confirmations circulated and responses received by the management, there are no parties who have been identified as micro, small and medium enterprises.

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year. | - | - |
| b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |
| c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and | - | - |
| e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

Note: This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company.



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(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

Trade Payables Ageing Schedule
As at March 31, 2023

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | |
|-----------------------------|--------------|--|----------|----------|------------------|---------------|
| | | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | Total |
| (i) MSME | - | - | - | - | - | - |
| (ii) Others | 93.82 | 443.46 | - | - | - | 537.28 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - |
| (v) Unbilled dues | - | - | - | - | - | - |
| Total | 93.82 | 443.46 | - | - | - | 537.28 |

As at March 31, 2022

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | |
|-----------------------------|-----------------|--|----------|----------|------------------|-----------------|
| | | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | Total |
| (i) MSME | - | - | - | - | - | - |
| (ii) Others | 1,271.99 | - | - | - | - | 1,271.99 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - |
| (v) Unbilled dues | - | - | - | - | - | - |
| Total | 1,271.99 | - | - | - | - | 1,271.99 |

16 Other Financial Liabilities

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|----------------|--------------------------|--------------------------|
| Salary Payable | 14.73 | 11.50 |
| Total | 14.73 | 11.50 |

17 Other Current Liabilities

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------------------|--------------------------|
| Statutory Dues | 182.82 | 266.64 |
| Security Deposit received-From Vendors | 37.23 | 2.75 |
| Purchase Consideration Payable | 1.00 | 1.00 |
| Advance received other than capital advances | 280.00 | 280.47 |
| Total | 501.05 | 550.86 |

18 Short Term Provisions

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---|--------------------------|--------------------------|
| Provision for Employee Benefits | | |
| Provision for Gratuity | 0.07 | 0.03 |
| Provision for Leave Encashment | 5.07 | 19.02 |
| Provision for Income Tax (Net of advance tax) | 176.38 | 226.41 |
| Total | 181.53 | 245.46 |

19 Revenue from operations

| Particulars | Year ended 31st March 2023 | Year ended 31st March 2022 |
|-----------------------------------|-------------------------------|-------------------------------|
| a) Sale of Services | | |
| Primary Transport | | |
| Secondary Transportation Services | 3,906.60 | 3,076.54 |
| Administrative Services | 2,668.75 | 2,581.62 |
| Warehousing Services | 2,383.36 | 1,926.41 |
| Transportation Services | 979.12 | 999.80 |
| Management Charges | 65.18 | 12.43 |
| | 524.90 | 850.47 |
| b) Other Operating Income | | |
| Scrap Sale | 2.95 | 0.29 |
| Reimbursement of Expenses | - | 66.19 |
| Total | 10,530.86 | 9,513.75 |

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
Notes to the financial statements as of and for the year ended March 31, 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

20 Other Income

| Particulars | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|-------------------------------|-------------------------------|
| Misc. Income | 1.16 | 0.22 |
| Interest Income- On Fixed Deposit | 0.59 | 0.30 |
| Interest Income- On Security Deposit - Leases | 12.72 | - |
| Balance written off | - | 0.08 |
| Total | 14.47 | 0.60 |

21 Freight & Warehousing Expenses

| Particulars | Year ended 31st March 2023 | Year ended 31st March 2022 |
|----------------------------------|-------------------------------|-------------------------------|
| Freight Primary Transportation | 3,886.99 | 3,211.47 |
| Freight Secondary Transportation | 2,531.24 | 2,739.39 |
| Fuel, Toll & Fastag Charges | 94.20 | 21.90 |
| Real Estate Rent & Brokerage | 329.46 | 1,020.46 |
| Others | - | 16.08 |
| Total | 6,841.89 | 7,009.30 |

22 Employee Benefits Expense

| Particulars | Year ended 31st March 2023 | Year ended 31st March 2022 |
|--------------------------------|-------------------------------|-------------------------------|
| Salaries and wages | 1,272.47 | 1,110.31 |
| Contribution to Provident fund | 67.78 | 46.42 |
| Staff welfare expenses | 48.55 | 28.29 |
| Total | 1,388.80 | 1,185.02 |

23 Finance Cost

| Particulars | Year ended 31st March 2023 | Year ended 31st March 2022 |
|-----------------------------|-------------------------------|-------------------------------|
| Interest on Lease Liability | 189.91 | - |
| Total | 189.91 | - |

24 Depreciation & Amortisation Expenses

| Particulars | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|-------------------------------|-------------------------------|
| Depreciation of property, plant and equipment | 8.65 | 5.01 |
| Depreciation of Right-of-use assets | 600.61 | - |
| Total | 609.26 | 5.01 |



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Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
Notes to the financial statements as of and for the year ended March 31, 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

25 Other Expenses

| Particulars | Year ended 31st March 2023 | Year ended 31st March 2022 |
|------------------------------------|-------------------------------|-------------------------------|
| Payment to Auditors | 4.30 | 6.00 |
| Manpower Charges | 574.89 | 519.21 |
| Repair & Maintenance Expenses | 69.51 | 64.39 |
| Internet Charges | 58.20 | 63.18 |
| Electricity Charges | 33.33 | 21.76 |
| Office Expenses | 57.85 | 132.11 |
| Postage & Courier | 3.32 | 4.16 |
| Professional Fees | 48.35 | 42.41 |
| Travelling Expenses | 97.15 | 101.86 |
| Incentive | 0.33 | - |
| Printing & Stationery | 0.78 | - |
| Rates and Taxes | 5.56 | 2.33 |
| Software Maintenance | 55.84 | 22.80 |
| Insurance | 39.21 | - |
| After Sale Services | - | 7.39 |
| Advertising & Promotional Expenses | 3.55 | 10.04 |
| Bank charges | 0.06 | 0.02 |
| Miscellaneous Expenses | 4.07 | 5.69 |
| Total | 1,056.30 | 1,003.35 |

| Payment to auditor comprises | Year ended 31st March 2022 | Year ended 31st March 2021 |
|------------------------------|-------------------------------|-------------------------------|
| As an auditor | 2.50 | 6.00 |
| Taxation matters | 1.80 | - |
| Total | 4.30 | 6.00 |



Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
Notes to the financial statements for the period ended March 31, 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

26. Tax expense

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| A. Amounts recognised in statement of profit and loss | | |
| Current tax (a) | | |
| Current year | 176.38 | 86.41 |
| Earlier Year | - | - |
| Deferred tax (b) | | |
| Attributable to - | | |
| Origination and reversal of temporary differences | 40.43 | (68.21) |
| Income tax expense reported in the statement of profit or loss (a+b) | 216.81 | 18.20 |
| Amounts recognised in other comprehensive income | | |
| Deferred taxes | | |
| Remeasurements of the defined benefit plans | (0.23) | - |
| Income tax reported in other comprehensive income | (0.23) | - |
| B. Bifurcation of the income tax recognised in other comprehensive income into | | |
| Items that will not be reclassified to profit or loss | (0.23) | - |
| Items that will be reclassified to profit or loss | - | - |
| | (0.23) | - |

C. Reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

| Particulars | For the year ended March 31, 2023 | As at March 31, 2022 |
|---------------------------|--------------------------------------|-------------------------|
| Profit before tax | 459.17 | 311.67 |
| Effective tax rate | 27.82% | 27.82% |
| | 127.74 | 86.71 |
| Effect of: | | |
| Non-deductible expenses | (0.38) | - |
| Others | 89.45 | 68.51 |
| Income tax expense | 216.81 | 18.20 |

D. Movement in temporary differences

| Particulars | Balance as at 1st April 2022 Net deferred tax asset/(liabilities) | Recognised in profit or loss during 2022-23 | Recognised in OCI during 2022-23 | Balance as at 31 March 2023 Net deferred tax asset/(liabilities) |
|--|--|--|-------------------------------------|---|
| Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act | - | 10.95 | - | 10.95 |
| Provision for employee benefits | (9.13) | (11.67) | (0.23) | (21.02) |
| Right of use assets, net of lease liabilities (Ind AS 116) | - | (17.10) | - | (17.10) |
| Disallowance under 40(a)(i) | (59.08) | 58.71 | - | (0.38) |
| Total | (68.21) | 40.89 | (0.23) | (27.55) |

| Particulars | Balance as at 1 April 2021 Net deferred tax asset/(liabilities) | Recognised in profit or loss during 2021-22 | Recognised in OCI during 2021-22 | Balance as at 31 March 2022 Net deferred tax asset/(liabilities) |
|--|--|--|-------------------------------------|---|
| Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act | - | - | - | - |
| Provision for employee benefits | - | (9.13) | - | (9.13) |
| Right of use assets, net of lease liabilities (Ind AS 116) | - | - | - | - |
| Disallowance under 40(a)(i) | - | (59.08) | - | (59.08) |
| Total | - | (68.21) | - | (68.21) |



Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
Notes to the financial statements as of and for the year ended March 31, 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

27 Earnings per share

| Particulars | Year Ended March 31, 2023 | Year Ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Earnings per share (EPS) | | |
| Net profit for calculation of basic EPS (Profit after tax) | 242.95 | 293.47 |
| Weighted average number of equity shares in calculating basic and diluted EPS | 5,000.00 | 5,000.00 |
| Basic and diluted earnings per share | 4,859.01 | 5,869.34 |
| Face value per share | 10 | 10 |

28 Contingent liabilities and Capital commitments

There are no capital commitments and contingent liabilities at the end of the year.

29 Disclosure pursuant to Indian Accounting Standard – 19 'Employee Benefits' Gratuity (Defined benefit plan)

In accordance with the Payment of Gratuity Act, 1972 applicable for the Indian Companies, the company provides for a lumpsum payment to eligible employees at the termination or retirement of employment based on last drawn salary and years of employment with the company. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Liabilities with respect to these defined benefit plan are determined by actuarial valuation, performed by external actuary, at each Balance Sheet using projected unit credit method. These defined benefit plan exposes the company to actuarial risks such as liquidity risks, interest rate risk, demographic risk, regulatory risk and salary escalation risk.

Liquidity Risks

This is the risk that the Company is not able to meet the short term gratuity payouts. This may arise due to non availability of enough cash/cashequivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Interest Risk

The plan exposes the Company to the risk off all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Demographic Risks

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risks

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. increase in the maximum limit on gratuity of Rs. 20,00,000).

Salary escalation Risk

The present value of the defined plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have bearing on the plan's liability.

The following tables set out disclosures prescribed by Indian Accounting Standard – 19 'Employee Benefits' in respect of the Company's unfunded gratuity plan.

A) Net employee benefit expense recognized in the employee cost

| Particulars | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|---|---------------------------------------|---------------------------------------|
| Current service cost | 15.22 | 16.08 |
| Interest cost on benefit obligation | 1.21 | - |
| Net actuarial gain recognized in the year | - | - |
| Net benefit expense | 16.43 | 16.08 |

Balance Sheet

B) Benefit asset/ liability

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---|--------------------------|--------------------------|
| Present value of defined benefit obligation | 33.31 | 16.08 |
| Plan liability | 33.31 | 16.08 |

C) Changes in the present value of the defined benefit obligation are as follows:

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---|--------------------------|--------------------------|
| Opening defined benefit obligation | 16.08 | - |
| Current service cost | 15.22 | 16.08 |
| Interest cost | 1.21 | - |
| Benefits paid | - | - |
| Actuarial gain on obligation | 0.82 | - |
| Closing defined benefit obligation | 33.31 | 16.08 |

D) Other Comprehensive Income

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------------------|--------------------------|
| Actuarial (gain) / losses | - | - |
| Change in demographic assumptions | 0.82 | - |
| Change in financial assumptions | - | - |
| Experience variance (i.e. Actual experience vs assumptions) | - | - |
| Others: | - | - |
| Return on plan assets, excluding amount recognised in net interest expense | - | - |
| Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling | - | - |
| Components of defined benefit costs recognised in other comprehensive income | 0.82 | - |



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E) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

| Particulars | As at | As at |
|------------------------|-----------------|-----------------|
| | 31st March 2023 | 31st March 2022 |
| Discount rate | 7.52% | 7.52% |
| Attrition rate | 10% | 10% |
| Salary Escalation rate | 8.00% | 8.00% |
| Retirement age | 58 | 58 |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

F) Sensitivity Analysis:

| Particulars | As at March 31, 2023 | | As at 31st March 2022 | |
|--|----------------------|----------|-----------------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount Rate | 361121 | 425919 | - | - |
| (% change compared to base due to sensitivity) | -10.83% | 12.78% | - | - |
| Salary Growth (-/+ 1%) | 410662 | -354463 | - | - |
| (% change compared to base due to sensitivity) | 12.32% | -10.63% | - | - |
| Attrition Rate (-/+ 50% of attrition rates) | -128521 | 136787 | - | - |
| (% change compared to base due to sensitivity) | 3.86% | 4.10 | - | - |
| Mortality rate (-/+ 10% of mortality rates) | 999 | 0 | - | - |
| (% change compared to base due to sensitivity) | 0.03% | 0 | - | - |

30 Related party transaction

A. Names of related parties and their relationship

- Holding Company : Kurlon Enterprise Limited
- Ultimate Holding Company : Kurlon Limited
- Key Management Personnel : Jansheed Minoo Pandey
: Ashish Vilas Pradhan
: Vivek Kumar Bajpai
- Fellow Subsidiaries : Kurlon Retail Limited
: Komfort Universe Products & Services
: Kanvas Concepts Private Limited
: Belvadore International Limited
: Manipal Travels (I) Pvt Ltd
: Sevatal Solar Private Limited
: Sirar Dhotre Solar Private Limited
- Enterprises owned or significantly influenced by Key Management Personnel/Director or their relatives : Kurlon Limited
: Sevatal Solar Private Limited
: Sirar Dhotre Solar Private Limited

B. Related parties under Ind AS 24 with whom transactions have taken place during the year

- Holding Company : Kurlon Enterprise Ltd
- Enterprises owned or significantly influenced by Key Management Personnel/Director or their relatives : Kurlon Limited

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

| Name | Nature of transaction | As at 31 March 2023 | As at 31 March 2022 |
|--|---|---------------------|---------------------|
| M/s.Kurlon Enterprise Limited | Supply of Services-Primary transport | 3,306.60 | 802.39 |
| M/s.Kurlon Enterprise Limited | Supply of Services-Secondary transport | 2,578.55 | 2,628.59 |
| M/s.Kurlon Enterprise Limited | Supply of Warehousing Services | 983.81 | 1,056.96 |
| M/s.Kurlon Enterprise Limited | Supply of Admin & Management Services | 2,826.07 | 2,239.17 |
| M/s.Kurlon Enterprise Limited | Reimbursement paid | 4.44 | 3.75 |
| M/s Komfort Universe Products & Services Ltd | Supply of Admin & Management Services | 40.87 | - |
| M/s.Kurlon Limited | Rent paid | 25.08 | 4.37 |
| M/s Manipal Software & Ecommerce Pvt Ltd | Software Charges | 20.88 | - |
| M/s Manipal Travels (I) Pvt Ltd | Travel ticket booking- Reimbursement of Ticket Cost | 27.41 | - |
| M/s Manipal Travels (I) Pvt Ltd | Travel ticket booking- Commission | 0.88 | - |
| Vivek Kumar Bajpai | Salary Paid | 56.30 | - |

C. Balances with related parties as on 31 March, 2023 and 31 March, 2022

| Name | Nature of transaction | As at 31 March 2023 | As at 31 March 2022 |
|--|-----------------------|---------------------|---------------------|
| M/s.Kurlon Enterprise Limited | Trade Payables | 0.71 | 3.20 |
| M/s.Kurlon Enterprise Limited | Advance Received | 280.00 | 280.37 |
| M/s.Kurlon Limited | Trade Payables | 3.39 | 0.03 |
| M/s Manipal Travels (I) Pvt Ltd | Trade Payables | 5.41 | 0.03 |
| M/s Komfort Universe Products & Services Ltd | Trade Receivables | 15.37 | - |
| M/s.Kurlon Enterprise Limited | Trade Receivables | 781.81 | 1,131.93 |



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31 Financial Instruments

A- Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholders' value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company's gearing ratio, which is total net borrowings divided by total capital employed is as below:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Total Equity Attributable to the Equity Shareholders of the Company | 788.19 | 545.24 |
| As a percentage of Total Capital | 99.73% | 99.30% |
| Current Borrowings | 2.16 | 3.83 |
| Non-Current Borrowings | - | - |
| Total Borrowings | 2.16 | 3.83 |
| As a percentage of Total Capital | 0.27% | 0.70% |
| Total Capital Structure | 790.35 | 549.07 |

The Company is predominantly equity financed which is evident from the capital structure table.

B - Categories of Financial Instruments

The carrying amounts and fair values of the financial instruments by class are as follows:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|-----------------------------------|------------------------|------------------------|
| Financial Assets | | |
| Measured at Amortised Cost | | |
| - Trade Receivables | 856.22 | 1,268.63 |
| - Cash and Cash Equivalents | 46.10 | 334.45 |
| - Other Financial Assets | 247.74 | 311.30 |
| TOTAL | 1,150.06 | 1,914.38 |
| Financial Liabilities | | |
| Measured at Amortised Cost | | |
| - Trade Payables | 537.28 | 1,271.99 |
| - Lease Liability | 2,685.54 | - |
| TOTAL | 3,222.82 | 1,271.99 |

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The Company has disclosed financial instruments such as trade and other payables, trade receivables, cash and cash equivalents and other bank balances at carrying value because their carrying are a reasonable approximation of the fair values due to their short term nature.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

C - Financial Risk Management

The Company's principal financial liabilities, comprise of trade and other payables.

The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors.

This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk. The sensitivity analyses in the following sections relate to the position as at 31st March, 2023. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31st March, 2023.

(i) Interest Rate Risk

Interest rate is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. However there are no instruments that are exposed to risk of fluctuation in market interest rates.

(ii) Interest rate risk management & Sensitivity Analysis

There are no interest bearing financial instrument as at the reporting date.

(b) Credit Risk:

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables)



Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
Notes to the financial statements as of and for the year ended March 31, 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)
Financial Instruments and Cash & Bank Deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31st March 2022 is the carrying amounts which are given below.

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|-----------------------------|------------------------|------------------------|
| Current Assets | | |
| - Cash and Cash Equivalents | 46.10 | 334.45 |
| Total | 46.10 | 334.45 |

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be very low.

Maturity Profile of Financial Liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date:

| Particulars | Carrying Value | Less than 1 year | 1 to 5 years |
|-----------------------------|----------------|------------------|--------------|
| As at 31 March, 2023 | | | |
| Current Liabilities | | | |
| Trade Payables | 537.28 | 537.28 | - |
| Total | 537.28 | 537.28 | - |
| As at 31 March, 2022 | | | |
| Current Liabilities | | | |
| Trade Payables | 1,271.99 | 1,271.99 | - |
| Total | 1,271.99 | 1,271.99 | - |

32 Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The fair value hierarchy of assets and liabilities measured at fair value as of 31 March 2023 is as follows:

| Particulars | Total (Carrying Value) | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|--|------------------------|---|---|---|
| Financial Assets | | | | |
| Measured at Amortised Cost | | | | |
| Current Assets | | | | |
| Trade receivables (refer note 8) | 856.22 | - | - | 856.22 |
| Cash and cash equivalents (refer note 9) | 46.10 | - | - | 46.10 |
| Total | 902.32 | - | - | 902.32 |
| Financial Liabilities | | | | |
| Measured at Amortised Cost | | | | |
| Current Liabilities | | | | |
| Trade Payables (refer note 15) | 537.28 | - | - | 537.28 |
| Total | 537.28 | - | - | 537.28 |

33 Cash and non - cash changes in liabilities arising from financing activities

| | 1st April 2022 | Cash Flow | Non Cash Changes Addition to lease liabilities | Foreign exchange movements | 31st March 2023 |
|---|----------------|-----------|---|-------------------------------|-----------------|
| Lease Liabilities(Non Current) | - | - | 2,040.96 | - | 2040.96 |
| Lease Liabilities(Current) | 0.00 | 652.55 | -7.97 | - | 644.58 |
| Cash and non - cash changes in liabilities arising from financing activities | | | | | |
| | 1st April 2021 | Cash Flow | Non Cash Changes Addition to lease liabilities | Foreign exchange movements | 31st March 2022 |
| Lease Liabilities(Non Current) | - | - | - | - | - |
| Lease Liabilities(Current) | - | - | - | - | - |



Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
Notes to the financial statements as of and for the year ended March 31, 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

34 Ratio Analysis and its element

| Ratio | Numerator | Denominator | As at March 31, 2023 | As at March 31, 2022 | % of change | Reason for variance (Only for change in the ratio is more than 25% as compared to the preceding period) |
|---------------------------------|--|---|-------------------------|-------------------------|----------------|---|
| Current Ratio | Current Assets | Current Liabilities | 0.52 | 0.83 | -37.47% | Cash balances 289.15 and in other current assets balance with govt Authorities is reduced by 85.64 L and Trade payables is decreased by 1781.26 which led to lower working capital ratio. |
| Debt-Equity Ratio | Total Debt | Shareholder's Equity | - | 0.01 | -100.00% | OD has been paid off in the current year |
| Debt Service Coverage Ratio | Earnings for debt service = Net profit after taxes + Non-cash operating expenses | Debt service = Interest & Lease Payments + Principal Repayments | - | - | - | Company does not have any debt |
| Return on Equity Ratio | Net Profits after taxes - Preference Dividend | Average Shareholder's Equity | 0.36 | 1.08 | -66.15% | Pvt Ltd company is in existence from the period 2021-22, Hence the last year closing balance is considered as the avg due to which the ratio is not comparable. |
| Inventory Turnover Ratio | Cost of goods sold | Average Inventory | - | - | - | |
| Trade Receivable Turnover Ratio | Net credit sales = Gross credit sales - sales return | Average Trade Receivable | 9.93 | 15.00 | -33.83% | Pvt Ltd company is in existence from the period 2021-22, Hence the last year closing balance is considered as the avg due to which the ratio is not comparable. |
| Trade Payable Turnover Ratio | Net credit purchases = Gross credit purchases - purchase return | Average Trade Payables | 7.56 | 11.02 | -31.38% | Pvt Ltd company is in existence from the period 2021-22, Hence the last year closing balance is considered as the avg due to which the ratio is not comparable. |
| Net Capital Turnover Ratio | Net sales = Total sales sales return | Working capital = Current assets - Current liabilities | -11.61 | -26.34 | -56.27% | |
| Net Profit Ratio | Net Profit | Net sales = Total sales - sales return | 0.02 | 0.03 | -25.21% | Interest Expense on lease Liability & Dep on ROU has booked in the current year, because of which Profit is reduced |
| Return on Capital Employed | Earnings before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | 459.41 | 311.67 | 47.40% | Because of interest on Lease liability, in the current year: Int Exp has increased. |
| Return on Investment | Interest (Finance Income) | Investment | - | - | - | |

35 Other statutory information

- The company doesn't have immovable properties as at 31st March 2023.
- During the year, the Company has not revalued its Property, Plant and Equipments and Intangible Assets
- The company has not granted any Loans or Advances to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person
- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company has not borrowed from banks or financial institutions. Hence, the company has not filed any statements with the Banks or financial institutions.
- The Company has not been declared as wilful defaulter by any bank or financial institutions or other lenders.
- The Company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- The Company has not entered into any transaction which are prescribed under Clause (B7) of Section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- The Company has not entered into any Scheme of Arrangement which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company has not borrowed any funds from Banks or financial institution. Hence, reporting of usage of borrowings from banks and financial statements for the specific purpose for which it has taken is not
- The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessment under the Income Tax Act, 1961 as income during the year.

36 Corporate Social Responsibility

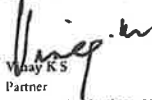
The Company is not required to contribute towards Corporate Social Responsibility ("CSR") as required by Schedule VII of the Act, as the Company does not meet criteria specified in the applicable rules and regulations

- 37 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules have not been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period in which the Code will become effective.

38 Prior Period Comparatives


Previous year figures are reclassified / re-grouped to confirm this year's classification.

In terms of our report of even date
For ASA & Associates LLP
Chartered Accountants
Firm Registration No. 009571N/N500006

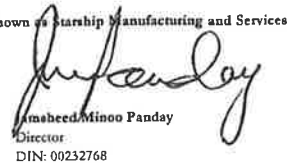

Vinay K S
Partner
Membership Number: 223085

Place: Bangalore
Date: 28/07/2023

For and on behalf of Board of Directors of
Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services


Ashish Vilas Pradhan
Director
DIN: 08630024

Place: Bangalore
Date: 28/07/2023


Anshu Minoo Panday
Director
DIN: 00232768

Place: Bangalore
Date: 28/07/2023

MSKA & Associates

Chartered Accountants

The Palm Springs Plaza
Office No. 1501-B, 15th floor
Sector-54, Golf Course Road
Gurugram 122001, INDIA

To,
The Board of Directors,
Sheela Foam Limited,
604 Ashadeep, 9 Hailey Road,
New Delhi - 110001

Independent Auditor's Certificate on the proposed accounting treatment contained in the draft Composite Scheme of Amalgamation of Kurlon Enterprise Limited ("KEL" or "Amalgamating Company") with Sheela Foam Limited ("SFL" or "Amalgamated Company" or "the Company") and their respective shareholders and creditors under sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 and rules framed thereunder.

1. We M S K A & Associates, Chartered Accountants, the Statutory Auditors of Sheela Foam Limited (the "Company" or "Amalgamated Company") has been requested by the Company having its registered office at the above mentioned address vide mandate letter dated February 20 2024, to certify the proposed accounting treatment specified in Clause 29 of Part D of the draft Composite Scheme of Amalgamation (herein referred as 'the draft Scheme') amongst the Company and KEL and their respective Shareholders and Creditors under section 230 to 232 of read with other applicable provisions of the Companies Act, 2013 and rules framed thereunder as reproduced in Annexure- 1, with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the Act"), read with the rules made thereunder and Other Generally Accepted Accounting Principles for the purpose of onward submission to National Company Law Tribunal, Mumbai ("the Tribunal").

Management's Responsibility

2. The responsibility for the preparation of the draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("the applicable Accounting Standards") and Other Generally Accepted Accounting Principles as aforesaid, is that of the Board of Directors of the Companies involved. 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.
3. The Management is also responsible for providing all relevant information to the Tribunal in connection with the draft Scheme.

Auditor's Responsibility

4. Pursuant to the requirements of Sections 230 to Section 232 of the Act, read with the Rules made thereunder, our responsibility is only to provide a reasonable assurance whether the accounting treatment referred to in Clause 29 of Part D of the draft Scheme referred to above comply with the applicable accounting standards.
5. The following documents have been furnished by the Company:
 - a) Copy of the draft Scheme;
 - b) Certified true copy of the board resolution for the proposed amalgamation; and
 - c) Written representation from the Management in this regard.



MSKA & Associates

Chartered Accountants

6. We have verified that the proposed accounting treatment specified in Clause 29 of Part D of the draft Scheme in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013, as reproduced in Annexure 1, is in compliance with the applicable Accounting Standards notified under section 133 of the Companies Act, 2013 and Other Generally Accepted Accounting Principles.
7. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (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 issued by ICAI.

Opinion

9. Based on our examination, as above, and according to the information and explanations given to us, we certify that the proposed accounting treatment in the books of Amalgamated Company specified in Clause 29 of Part D of the draft Scheme is in compliance with the applicable accounting standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015. The specified accounting treatment in Clause 29 of Part D of the draft Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure 1 to this Certificate and is initialled by us only for the purposes of identification.

Restriction on Use

10. The certificate is addressed to the Board of Directors of the Company solely for the purpose of enabling it to comply with the provisions Section 230 to 232 of the Act read with the rules made thereunder and for onward submission to the Tribunal in accordance with the Act. This certificate should not be used by any other person or for any other purpose. M S K A & Associates shall not be liable to the Company, the tribunal or to any other concerned for any claims, liabilities or expenses relating to this assignment, except to the extent of fees relating to this assignment.
11. 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 certificate is shown or into whose hands it may come without our prior consent in writing.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W


Nipun Gupta
Partner
Membership No. 502986
UDIN: 24502896BKGFLD9234
Place: Gurugram
Date : 28-03-2024



Encl: Annexure 1 of - Clause 29 of Part D of the draft Scheme.



Annexure-1

Relevant extract from the draft Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or Transferor Company 5), Kurlon Enterprise Limited ("KEL" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company") and their respective shareholders and creditors (the "Scheme")

29. ACCOUNTING TREATMENT IN THE BOOKS OF AMALGAMATED COMPANY

- 29.1 The Amalgamated Company, shall, upon this Scheme becoming effective and with effect from the Appointed Date, account for the amalgamation of the Amalgamating Company with the Amalgamated Company, on completion of all substantial conditions for the transfer, in accordance with "Pooling of Interests Method" laid down in Appendix C of Ind AS-103 (Business Combinations of entities under common control) notified under Section 133 of the Companies Act, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, such that:
- 29.1.1 The Amalgamated Company shall record the assets, liabilities and reserves, if any, of the Amalgamating Company vested in it pursuant to this Scheme, at the respective book values and in the same form as appearing in the Consolidated financials of Amalgamated Company.
- 29.1.2 The identity of the reserves shall be preserved and the Amalgamated Company shall record the reserves of the Amalgamating Company in the same form and at the carrying amount as appearing in the consolidated financial statements of Amalgamated Company.
- 29.1.3 The value of investment held by the Amalgamated Company in the Amalgamating Company shall stand cancelled pursuant to the amalgamation.
- 29.1.4 Pursuant to the amalgamation of the Amalgamating Company with the Amalgamated Company, the inter-company balances between the Amalgamated Company and the Amalgamating Company, if any, appearing in the books of the Amalgamated Company and the value of all investments held by the Amalgamated Company in the Amalgamating Company shall stand cancelled.
- 29.1.5 The surplus/deficit, if any arising after taking the effect of clause 29.1.1, clause 29.1.2, clause 29.1.3 and after giving the effect of the adjustments referred to in clause 29.1.4, shall be transferred to the "Capital Reserve" in the financial statements of the Amalgamated Company and shall be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.
- 29.1.6 In case of any difference in the accounting policy between the Amalgamating Company and the Amalgamated Company, the accounting policies followed by the Amalgamated Company will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.
- 29.1.7 Comparative financial information in the financial statements of the Amalgamated Company shall be restated for the accounting impact of amalgamation, as stated above, as if the amalgamation had occurred from the beginning of the comparative period. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.
- 29.1.8 Any matter not dealt with in the Clause hereinabove shall be dealt with in accordance with the accounting standards applicable to the Amalgamated Company.



SHEELA FOAM LTD.

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CIN-L74899DL1971PLC005679

MSKA & Associates

Chartered Accountants

SV Tower, No. 27, Floor 4
80 Feet Road, 6th Block, Koramangala
Bengaluru 560095, INDIA

The Board of Directors,
Kurlon Enterprise Limited
1002/1006, The Avenue,
International A Opp. Hotel Leela,
Andheri (East), Mumbai,
Maharashtra, India, 400059

Independent Auditor's Certificate on the proposed accounting treatment contained in the Draft Scheme of Amalgamation of Kurlon Enterprise Limited and their respective shareholders under Section 230 to 232 read with other applicable provisions of the Companies Act, 2013 and rules framed thereunder.

1. We M S K A & Associates, Chartered Accountants, the Statutory Auditor of Kurlon Enterprise Limited (the "Company" or "Transferee Company") have been requested by the Company having its registered office at the above mentioned address vide mandate letter dated February 13, 2024 to certify the proposed accounting treatment specified in Clause 16 of Part C of the Draft Scheme of Amalgamation (herein referred as 'the Draft Scheme') amongst the Company and Belvedere International Limited ("Transferor Company 1"), Kanvas Concepts Private Limited ("Transferor Company 2"), Kurlon Retail Limited ("Transferor Company 3"), Komfort Universe Products and Services Limited ("Transferor Company 4") and Starship Value Chain and Manufacturing Private Limited ("Transferor Company 5"), and their respective Shareholders and Creditors under Section 230 to 232 of Companies Act, 2013 ("the Act") read with other applicable provisions of the Companies Act, 2013 and rules framed thereunder, with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made thereunder and other Generally Accepted Accounting Principles for the purpose of onward submission to National Company Law Tribunal, Mumbai ("the Tribunal").

Management's Responsibility

2. The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("the applicable Accounting Standards") and Other Generally Accepted Accounting Principles as aforesaid, is that of the Board of Directors of the Companies involved. 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.
3. The Management is also responsible for providing all relevant information to the tribunal in connection with the Draft Scheme.

Auditor's Responsibility

4. Pursuant to the requirements of Section 230 to 232 of the Act, read with the Rules made thereunder, our responsibility is only to provide a reasonable assurance whether the accounting treatment referred to in Clause 16 of Part C of the Draft Scheme referred to above comply with the applicable accounting standards.

The following documents have been furnished by the Company:

- a) Copy of the Draft Scheme of the Company;
- b) Certified true copy of the board resolution for the proposed amalgamation and
- c) Written representation from the Management in this regard



MSKA & Associates

Chartered Accountants

6. We have verified that the proposed accounting treatment specified in clause 16 of Part C of the Draft Scheme in terms of the provisions of Section 230 to 232 of the Companies Act, 2013 is in compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013 and other Generally Accepted Accounting Principles.
7. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (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 issued by ICAI.

Opinion

9. Based on our examination, as above, and according to the information and explanations given to us, we certify that the proposed accounting treatment in the books of Transferee Company specified in Clause 16 of part C of the Draft Scheme is in compliance with the applicable Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015. The specified accounting treatment in Clause 16 of part C of the Draft Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure 1 to this Certificate and is initialled by us only for the purposes of identification.

Restriction on Use

10. The certificate is addressed to the Board of Directors of the Company solely for the purpose of enabling it to comply with the provisions of Section 230 to 232 of the Act read with the rules made thereunder and for onward submission to the Tribunal at Mumbai, in accordance with the Act. This certificate should not be used by any other person or for any other purpose. M S K A & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment, except to the extent of fees relating to this assignment.
11. 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 certificate is shown or into whose hands it may come without our prior consent in writing.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Harsh Jain

Harsh Jain

Partner
Membership No. 305641
UDIN: 24305641BKFTX15769
Place: Bengaluru
Date: March 28, 2024



Encl: Annexure 1 of - Clause 16 of Part C of the draft Scheme.

Annexure-1

Relevant extract from the Scheme of Arrangement between Belvedere International Limited (Transferor 1), Kanvas Concepts Private Limited (Transferor 2), Kurlon Retail Limited (Transferor 3), Komfort Universe Products and Services Limited (Transferor 4), Starship Value Chain and Manufacturing Private Limited (Transferor 5), with Kurlon Enterprise Limited ("KFL" or "Transferee Company") and their respective Shareholders and Creditors.

16. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEEE COMPANY

16.1 Notwithstanding anything to the contrary herein, the Transferee Company shall account for the amalgamation of the each of the Transferor Companies with the Transferee Company, on completion of all substantial conditions for the transfer, in accordance with "Pooling of Interests Method" laid down in Appendix C of Ind AS-103 (Business Combinations of entities under common control) notified under Section 133 of the Companies Act, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, such that:

- 16.1.1 The Transferee Company shall record the assets, liabilities and reserves, if any, of the respective Transferor Companies vested in it pursuant to this Scheme, at the respective book values and in the same form as appearing in the Consolidated financial statement of Transferee Company.
- 16.1.2 The identity of the reserves shall be preserved and the Transferee Company shall record the reserves of the respective Transferor Companies in the same form and at the carrying amount as appearing in the consolidated financial statement of Transferee Company.
- 16.1.3 The value of investment held by the Transferee Company in the respective Transferor Companies shall stand cancelled pursuant to the amalgamation.
- 16.1.4 Pursuant to the amalgamation of the respective Transferor Companies with the Transferee Company, the inter-company balances between the Transferee Company and the respective Transferor Companies, if any, appearing in the books of the Transferee Company and the value of all investments held by the Transferee Company in each of the Transferor Companies shall stand cancelled.
- 16.1.5 The surplus/deficit, if any arising after taking the effect of clause 16.1.1, clause 16.1.2, clause 16.1.3 and after giving the effect of the adjustments referred to in clause 16.1.4, shall be transferred to the "Capital Reserve" in the financial statements of the Transferee Company and shall be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.
- 16.1.6 In case of any difference in the accounting policy between the respective Transferor Companies and the Transferee Company, the accounting policies followed by the



MSKA & Associates

Chartered Accountants

Transferee Company will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.

16.1.7 Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of amalgamation, as stated above, as if the amalgamation had occurred from the beginning of the comparative period.

16.1.8 Any matter not dealt with in the Clause hereinabove shall be dealt with in accordance with the accounting standards applicable to the Transferee Company.



MSKA & Associates

Chartered Accountants

SV Tower, No. 27, Floor 4
80 Feet Road, 6th Block, Koramangala
Bengaluru 560095, INDIA

To,
The Board of Directors,
Kurlon Enterprise Limited
1002/1006, The Avenue,
International A Opp. Hotel Leela,
Andheri (East), Mumbai,
Maharashtra, India, 400059

Independent Auditor's Certificate on the proposed accounting treatment contained in the draft Composite Scheme of Amalgamation of Kurlon Enterprise Limited ("KEL" or "Amalgamating Company" or "the Company") with Sheela Foam Limited ("SFL" or "Amalgamated Company") and their respective shareholders under Section 230 to 232 read with other applicable provisions of the Companies Act, 2013 and rules framed thereunder.

1. We M S K A & Associates, Chartered Accountants, the Statutory Auditors of Kurlon Enterprise Limited ("KEL" or "Amalgamating Company" or "the Company") have been requested by the Company having its registered office at the above mentioned address vide mandate letter dated February 13, 2024, to certify the proposed accounting treatment specified in Clause 31 of Part D of the draft Composite Scheme of Amalgamation (herein referred as 'the draft Scheme') amongst the Company and Sheela Foam Limited and their respective Shareholders and Creditors under section 230 to 232 of read with other applicable provisions of the Companies Act, 2013 and rules framed thereunder as reproduced in Annexure 1, with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made thereunder and Other Generally Accepted Accounting Principles for the purpose of onward submission to National Company Law Tribunal, Mumbai ("the Tribunal").

Management's Responsibility

2. The responsibility for the preparation of the draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("the applicable Accounting Standards") and Other Generally Accepted Accounting Principles as aforesaid, is that of the Board of Directors of the Companies involved. 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.
3. The Management is also responsible for providing all relevant information to the tribunal in connection with the draft Scheme.

Auditor's Responsibility

4. Pursuant to the requirements of Sections 230 to Section 232 of the Act, read with the rules made thereunder, our responsibility is only to provide a reasonable assurance whether the accounting treatment referred to in Clause 31 of Part D of the draft Scheme referred to above comply with the applicable accounting standards.
5. The following documents have been furnished by the Company:
 - a) Copy of the draft Scheme;
 - b) Certified true copy of the board resolution for the proposed amalgamation; and
 - c) Written representation from the management in this regard



MSKA & Associates

Chartered Accountants

6. We have verified that the proposed accounting treatment specified in Clause 31 of Part D of the draft Scheme in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 as reproduced in Annexure 1, is in compliance with the applicable Accounting Standards notified under section 133 of the Companies Act, 2013 and Other Generally Accepted Accounting Principles.
7. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (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 issued by ICAI.

Opinion

9. Based on our examination, as above, and according to the information and explanations given to us, we certify that the proposed accounting treatment in the books of Amalgamating Company specified in Clause 31 of Part D of the draft Scheme is in compliance with the applicable accounting standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015. The specified accounting treatment in Clause 31 of Part D of the draft Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure 1 to this Certificate and is initialled by us only for the purposes of identification.

Restriction on Use

10. The certificate is addressed to the Board of Directors of the Company solely for the purpose of enabling it to comply with the provisions Section 230 to 232 of the Act read with the rules made thereunder and for onward submission to the Tribunal at Mumbai, in accordance with the Act. This certificate should not be used by any other person or for any other purpose. M S K A & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment, except to the extent of fees relating to this assignment.
11. 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 certificate is shown or into whose hands it may come without our prior consent in writing.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Harsh Jain

Harsh Jain

Partner

Membership No. 305641

UDIN: 24305641BKFTXJ7680

Place: Bengaluru

Date: March 28, 2024



Encl: Annexure 1 of - Clause 31 of Part D of the draft Scheme.

MSKA & Associates

Chartered Accountants

Annexure-1

Relevant extract from the draft Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or Transferor Company 5), Kurlon Enterprise Limited ("KEL" or "Amalgamating Company" or "the Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company") and their respective shareholders and creditors (the "Scheme").

31. DISSOLUTION OF THE AMALGAMATING COMPANY

31.1. Upon the coming into effect of Part D of this Scheme and with effect from the Appointed Date, of the Amalgamating Company shall stand dissolved without being wound up, without any further act or deed and no specific accounting is prescribed in the Indian Accounting Standards specified under Section 133 of the Act for such transfer.



S P SRIVASTAVA & Associates

Chartered Accountants
N-306, Manipal Center,
47, Dickenson Road,
Bangalore - 560042
Karnataka, INDIA

The Board of Directors

STARSHIP VALUE CHAIN & MANUFACTURING PRIVATE LIMITED

3rd Floor, North Block, Manipal Centre,
47, Dickenson Road,
Bangalore, Karnataka,
India, 560 042

Dear Sirs,

Independent Auditors' Certificate

- 1) We, the statutory auditors of Starship Value Chain & Manufacturing Private Limited (hereinafter referred to as "SVC MPL" or "the Company"), have examined the proposed accounting treatment of Transfer Companies specified in Clause 18 of Part C, Accounting Treatment pursuant to the Draft Scheme of Arrangement ("the draft Scheme") between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company") and their respective shareholders and creditors (the "Scheme"), in terms of the provisions of Section 230 to 232 of the Companies Act, 2013 ("the Act") and other applicable provisions of law, with reference to the applicable Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) ("the applicable Accounting Standards") and other generally accepted accounting principles.

Management Responsibility

- 2) The responsibility for the preparation of the draft Scheme and its compliance with the Act, including the applicable Accounting Standards and other generally accepted accounting principles as aforesaid, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to preparation and presentation of the draft Scheme and applying appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
- 3) The Management is also responsible for providing all relevant information to the Tribunal in connection with the draft Scheme.



Auditors' Responsibility

- 4) Pursuant to the requirements of the Act, our responsibility is only to examine and provide reasonable assurance whether the proposed accounting treatment specified in Clause 18 of Part C of the draft Scheme as reported in Annexure 1 to the certificate complies with the applicable Accounting Standards and other generally accepted accounting principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
- 5) We conducted our examination of the proposed accounting treatment specified in Clause 18 of Part C of the draft Scheme as reported in Annexure 1 to the certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. The Guidance Notes requires that we comply with the ethical requirements of the Code of Ethics issues by the Institute of Chartered Accountants of India.
- 6) We have complied with the relevant requirements of the Standards of Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Review of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

- 7) Based on examination and according to the information and explanations given to us by the management of the company, pursuant to the requirements of proviso to sub-section (7) of the Section 230 of the Act, we confirm that Clause 18 of Part C of the draft Scheme is in compliance with the applicable accounting standards prescribed under section 133 of the Act read with the read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles in India, as applicable for such transfer.
- 8) For the ease of references, the relevant extracts of the proposed accounting treatment specified in Clause 18 of Part C, duly authenticated on behalf of the Company, is reproduced in Annexure 1 to this certificate and is initialed by us only for the purpose of identification.

Restriction on Use

- 9) This Certificate is Issued at the request of the Company pursuant to the requirement of the Act for onward submission to the National Company Law Tribunal and such statutory or regulatory authorities as may be required in connection with the proposed Scheme.



This Certificate should not be used for any other purpose with our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose to any other person to whom this certificate is shown or into those hands it may come without our prior written consent in writing.

For S P SRIVASTAVA & Associates

Chartered Accountants

FRN No. 025663S



S K Subramanian

Partner

M.No. 205737

UDIN: 24205737BKBIM104868

Place: Bangalore

Date: 28/03/2024

Annexure 1

Relevant extracts of the proposed accounting treatment specified in Clause 18 of Part C, Accounting Treatment pursuant to the draft Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company") and their respective shareholders and creditors (the "Scheme") under sections 230 to 232 of the Companies Act, 2013 ("Act") and other applicable provisions of law

PART C**18. DISSOLUTION OF TRANSFEROR COMPANIES**

- 18.1 Upon the coming into effect of Part C of this Scheme and with effect from the Appointed Date, each of the Transferor Companies shall stand dissolved without being wound up, without any further act or deed and no specific accounting is prescribed in the Indian Accounting Standards specified under Section 133 of the Act for such transfer.

For Starship Value Chain & Manufacturing Private Limited

Ashish
Vilas
Pradhan

Digitally signed
by Ashish Vilas
Pradhan
Date: 2024.03.28
18:18:20 +05'30'

Ashish Vilas Pradhan
Director, DIN: 00630024



Place: Bangalore
Date: 28/03/2024



S P SRIVASTAVA & Associates

Chartered Accountants
N-306, Manipal Center,
47, Dickenson Road,
Bangalore - 560042
Karnataka, INDIA

The Board of Directors
KURLON RETAIL LIMITED
3rd Floor, North Block, Manipal Centre,
47, Dickenson Road,
Bangalore, Karnataka,
India, 560 042

Dear Sirs,

Independent Auditors' Certificate

- 1) We, the statutory auditors of Kurlon Retail Limited (hereinafter referred to as "KRL" or "the Company"), have examined the proposed accounting treatment of Transfer Companies specified in Clause 18 of Part C, Accounting Treatment pursuant to the Draft Scheme of Arrangement ("the draft Scheme") between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company") and their respective shareholders and creditors (the "Scheme"), in terms of the provisions of Section 230 to 232 of the Companies Act, 2013 ("the Act") and other applicable provisions of law, with reference to the applicable Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) ("the applicable Accounting Standards") and other generally accepted accounting principles.

Management Responsibility

- 2) The responsibility for the preparation of the draft Scheme and its compliance with the Act, including the applicable Accounting Standards and other generally accepted accounting principles as aforesaid, is that of the Board of Directors of the Companies Involved. This responsibility includes the design, implementation and maintenance of internal control relevant to preparation and presentation of the draft Scheme and applying appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
- 3) The Management is also responsible for providing all relevant information to the Tribunal in connection with the draft Scheme



Auditors' Responsibility

- 4) Pursuant to the requirements of the Act, our responsibility is only to examine and provide reasonable assurance whether the proposed accounting treatment specified in Clause 18 of Part C of the draft Scheme as reported in Annexure 1 to the certificate complies with the applicable Accounting Standards and other generally accepted accounting principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
- 5) We conducted our examination of the proposed accounting treatment specified in Clause 18 of Part C of the draft Scheme as reported in Annexure 1 to the certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. The Guidance Notes requires that we comply with the ethical requirements of the Code of Ethics issues by the Institute of Chartered Accountants of India.
- 6) We have complied with the relevant requirements of the Standards of Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Review of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

- 7) Based on examination and according to the information and explanations given to us by the management of the company, pursuant to the requirements of proviso to sub-section (7) of the Section 230 of the Act, we confirm that Clause 18 of Part C of the draft Scheme is in compliance with the applicable accounting standards prescribed under section 133 of the Act read with the read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles in India, as applicable for such transfer.
- 8) For the ease of references, the relevant extracts of the proposed accounting treatment specified in Clause 18 of Part C, duly authenticated on behalf of the Company, is reproduced in Annexure 1 to this certificate and is initialed by us only for the purpose of identification.

Restriction on Use

- 9) This Certificate is issued at the request of the Company pursuant to the requirement of the Act for onward submission to the National Company Law Tribunal and such statutory or regulatory authorities as may be required in connection with the proposed Scheme.



This Certificate should not be used for any other purpose with our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose to any other person to whom this certificate is shown or into those hands it may come without our prior written consent in writing.

For S P SRIVASTAVA & Associates
Chartered Accountants
FRN No. 025663S



S K Subramanian
Partner
M.No. 205737
UDIN: 24205737BKBIMN1843
Place: Bangalore
Date: 28/03/2024

Annexure 1

Relevant extracts of the proposed accounting treatment specified in Clause 18 of Part C, Accounting Treatment pursuant to the draft Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVCMP" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company") and their respective shareholders and creditors (the "Scheme") under sections 230 to 232 of the Companies Act, 2013 ("Act") and other applicable provisions of law

PART C**18. DISSOLUTION OF TRANSFEROR COMPANIES**

18.1 Upon the coming into effect of Part C of this Scheme and with effect from the Appointed Date, each of the Transferor Companies shall stand dissolved without being wound up, without any further act or deed and no specific accounting is prescribed in the Indian Accounting Standards specified under Section 133 of the Act for such transfer.

For Kurlon Retail Limited


Abhilash Padmanabh Kamti
Director, DIN: 01587117



Place: Bangalore
Date: 28/03/2024



S P SRIVASTAVA & Associates

Chartered Accountants
N-306, Manipal Center,
47, Dickenson Road,
Bangalore - 560042
Karnataka, INDIA

The Board of Directors

KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

N-301, 3rd Floor, North Block, Manipal Centre,
47, Dickenson Road,
Bangalore, Karnataka,
India, 560 042

Dear Sirs,

Independent Auditors' Certificate

- 1) We, the statutory auditors of Komfort Universe Products and Services Limited (hereinafter referred to as "KUPSL" or "the Company"), have examined the proposed accounting treatment of Transfer Companies specified in Clause 18 of Part C, Accounting Treatment pursuant to the Draft Scheme of Arrangement ("the draft Scheme") between Belvedere International Limited ("**BIL**" or "**Transferor Company 1**"), Kanvas Concepts Private Limited ("**KCPL**" or "**Transferor Company 2**"), Kurlon Retail Limited ("**KRL**" or "**Transferor Company 3**"), Komfort Universe Products And Services Limited ("**KUPSL**" or "**Transferor Company 4**"), Starship Value Chain and Manufacturing Private Limited ("**SVC MPL**" or "**Transferor Company 5**"), Kurlon Enterprise Limited ("**KEL**" or "**Transferee Company**" or "**Amalgamating Company**") and Sheela Foam Limited ("**SFL**" or "**Amalgamated Company**" or "**Company**") and their respective shareholders and creditors (**the "Scheme"**), in terms of the provisions of Section 230 to 232 of the Companies Act, 2013 ("**the Act**") and other applicable provisions of law, with reference to the applicable Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) ("**the applicable Accounting Standards**") and other generally accepted accounting principles.

Management Responsibility

- 2) The responsibility for the preparation of the draft Scheme and its compliance with the Act, including the applicable Accounting Standards and other generally accepted accounting principles as aforesaid, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to preparation and presentation of the draft Scheme and applying appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
- 3) The Management is also responsible for providing all relevant information to the Tribunal in connection with the draft Scheme.



Auditors' Responsibility

- 4) Pursuant to the requirements of the Act, our responsibility is only to examine and provide reasonable assurance whether the proposed accounting treatment specified in Clause 18 of Part C of the draft Scheme as reported in Annexure 1 to the certificate complies with the applicable Accounting Standards and other generally accepted accounting principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
- 5) We conducted our examination of the proposed accounting treatment specified in Clause 18 of Part C of the draft Scheme as reported in Annexure 1 to the certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. The Guidance Notes requires that we comply with the ethical requirements of the Code of Ethics issues by the Institute of Chartered Accountants of India.
- 6) We have complied with the relevant requirements of the Standards of Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Review of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

- 7) Based on examination and according to the information and explanations given to us by the management of the company, pursuant to the requirements of proviso to sub-section (7) of the Section 230 of the Act, we confirm that Clause 18 of Part C of the draft Scheme is in compliance with the applicable accounting standards prescribed under section 133 of the Act read with the read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles in India, as applicable for such transfer.
- 8) For the ease of references, the relevant extracts of the proposed accounting treatment specified in Clause 18 of Part C, duly authenticated on behalf of the Company, is reproduced in Annexure 1 to this certificate and is initialed by us only for the purpose of identification.

Restriction on Use

- 9) This Certificate is issued at the request of the Company pursuant to the requirement of the Act for onward submission to the National Company Law Tribunal and such statutory or regulatory authorities as may be required in connection with the proposed Scheme.



This Certificate should not be used for any other purpose with our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose to any other person to whom this certificate is shown or into those hands it may come without our prior written consent in writing.

For S P SRIVASTAVA & Associates
Chartered Accountants
FRN No. 025663S



S K Subramanian
Partner

M.No. 205737

UDIN: 24205737BKBIMM2674

Place: Bangalore

Date: 28/03/2024

Annexure 1

Relevant extracts of the proposed accounting treatment specified in Clause 18 of Part C, Accounting Treatment pursuant to the draft Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company") and their respective shareholders and creditors (the "Scheme") under sections 230 to 232 of the Companies Act, 2013 ("Act") and other applicable provisions of law

PART C**18. DISSOLUTION OF TRANSFEROR COMPANIES**

18.1 Upon the coming into effect of Part C of this Scheme and with effect from the Appointed Date, each of the Transferor Companies shall stand dissolved without being wound up, without any further act or deed and no specific accounting is prescribed in the Indian Accounting Standards specified under Section 133 of the Act for such transfer.

For Komfort Universe Products and Services Limited

Abhilash Padmanabh Kamti
Director, DIN: 01587117



Place: Bangalore
Date: 28/03/2024



S P SRIVASTAVA & Associates

Chartered Accountants
N-306, Manipal Center,
47, Dickenson Road,
Bangalore - 560042
Karnataka, INDIA

The Board of Directors
BELVEDORE INTERNATIONAL LIMITED
3rd Floor, North Block, Manipal Centre,
47, Dickenson Road,
Bangalore, Karnataka,
India, 560 042

Dear Sirs,

Independent Auditors' Certificate

- 1) We, the statutory auditors of Belvedere International Limited (hereinafter referred to as "BIL" or "the Company"), have examined the proposed accounting treatment of Transfer Companies specified in Clause 18 of Part C, Accounting Treatment pursuant to the Draft Scheme of Arrangement ("the draft Scheme") between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company") and their respective shareholders and creditors (the "Scheme"), in terms of the provisions of Section 230 to 232 of the Companies Act, 2013 ("the Act") and other applicable provisions of law, with reference to the applicable Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) ("the applicable Accounting Standards") and other generally accepted accounting principles.

Management Responsibility

- 2) The responsibility for the preparation of the draft Scheme and its compliance with the Act, including the applicable Accounting Standards and other generally accepted accounting principles as aforesaid, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to preparation and presentation of the draft Scheme and applying appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
- 3) The Management is also responsible for providing all relevant information to the Tribunal in connection with the draft Scheme.



Auditors' Responsibility

- 4) Pursuant to the requirements of the Act, our responsibility is only to examine and provide reasonable assurance whether the proposed accounting treatment specified in Clause 18 of Part C of the draft Scheme as reported in Annexure 1 to the certificate complies with the applicable Accounting Standards and other generally accepted accounting principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
- 5) We conducted our examination of the proposed accounting treatment specified in Clause 18 of Part C of the draft Scheme as reported in Annexure 1 to the certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. The Guidance Notes requires that we comply with the ethical requirements of the Code of Ethics issues by the Institute of Chartered Accountants of India.
- 6) We have complied with the relevant requirements of the Standards of Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Review of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

- 7) Based on examination and according to the information and explanations given to us by the management of the company, pursuant to the requirements of proviso to sub-section (7) of the Section 230 of the Act, we confirm that Clause 18 of Part C of the draft Scheme is in compliance with the applicable accounting standards prescribed under section 133 of the Act read with the read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles in India, as applicable for such transfer.
- 8) For the ease of references, the relevant extracts of the proposed accounting treatment specified in Clause 18 of Part C, duly authenticated on behalf of the Company, is reproduced in Annexure 1 to this certificate and is initialed by us only for the purpose of identification.

Restriction on Use

- 9) This Certificate is issued at the request of the Company pursuant to the requirement of the Act for onward submission to the National Company Law Tribunal and such statutory or regulatory authorities as may be required in connection with the proposed Scheme.



This Certificate should not be used for any other purpose with our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose to any other person to whom this certificate is shown or into those hands it may come without our prior written consent in writing.

For S P SRIVASTAVA & Associates
Chartered Accountants
FRN No. 025663S



S K Subramanian

Partner

M.No. 205737

UDIN: 24205737BKBIMQ2537

Place: Bangalore

Date: 28/03/2024

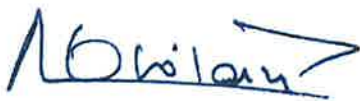
Annexure 1

Relevant extracts of the proposed accounting treatment specified in Clause 18 of Part C, Accounting Treatment pursuant to the draft Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company") and their respective shareholders and creditors (the "Scheme") under sections 230 to 232 of the Companies Act, 2013 ("Act") and other applicable provisions of law

PART C**18. DISSOLUTION OF TRANSFEROR COMPANIES**

18.1 Upon the coming into effect of Part C of this Scheme and with effect from the Appointed Date, each of the Transferor Companies shall stand dissolved without being wound up, without any further act or deed and no specific accounting is prescribed in the Indian Accounting Standards specified under Section 133 of the Act for such transfer.

For Belvedere International Limited



Abhilash Padmanabh Kamti
Director, DIN: 01587117



Place: Bangalore
Date: 28/03/2024



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S P SRIVASTAVA & Associates

Chartered Accountants
N-306, Manipal Center,
47, Dickenson Road,
Bangalore - 560042
Karnataka, INDIA

The Board of Directors
KANVAS CONCEPTS PRIVATE LIMITED
N-301, 3rd Floor, North Block, Manipal Centre,
47, Dickenson Road,
Bangalore, Karnataka,
India, 560 042

Dear Sirs,

Independent Auditors' Certificate

- 1) We, the statutory auditors of Kanvas Concepts Private Limited (hereinafter referred to as "KCPL" or "the Company"), have examined the proposed accounting treatment of Transfer Companies specified in Clause 18 of Part C, Accounting Treatment pursuant to the Draft Scheme of Arrangement ("the draft Scheme") between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company") and their respective shareholders and creditors (the "Scheme"), in terms of the provisions of Section 230 to 232 of the Companies Act, 2013 ("the Act") and other applicable provisions of law, with reference to the applicable Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) ("the applicable Accounting Standards") and other generally accepted accounting principles.

Management Responsibility

- 2) The responsibility for the preparation of the draft Scheme and its compliance with the Act, including the applicable Accounting Standards and other generally accepted accounting principles as aforesaid, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to preparation and presentation of the draft Scheme and applying appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
- 3) The Management is also responsible for providing all relevant information to the Tribunal in connection with the draft Scheme.



Auditors' Responsibility

- 4) Pursuant to the requirements of the Act, our responsibility is only to examine and provide reasonable assurance whether the proposed accounting treatment specified in Clause 18 of Part C of the draft Scheme as reported in Annexure 1 to the certificate complies with the applicable Accounting Standards and other generally accepted accounting principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
- 5) We conducted our examination of the proposed accounting treatment specified in Clause 18 of Part C of the draft Scheme as reported in Annexure 1 to the certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. The Guidance Notes requires that we comply with the ethical requirements of the Code of Ethics issues by the Institute of Chartered Accountants of India.
- 6) We have complied with the relevant requirements of the Standards of Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Review of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

- 7) Based on examination and according to the information and explanations given to us by the management of the company, pursuant to the requirements of proviso to sub-section (7) of the Section 230 of the Act, we confirm that Clause 18 of Part C of the draft Scheme is in compliance with the applicable accounting standards prescribed under section 133 of the Act read with the read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles in India, as applicable for such transfer.
- 8) For the ease of references, the relevant extracts of the proposed accounting treatment specified in Clause 18 of Part C, duly authenticated on behalf of the Company, is reproduced in Annexure 1 to this certificate and is initialed by us only for the purpose of identification.

Restriction on Use

- 9) This Certificate is Issued at the request of the Company pursuant to the requirement of the Act for onward submission to the National Company Law Tribunal and such statutory or regulatory authorities as may be required in connection with the proposed Scheme.



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This Certificate should not be used for any other purpose with our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose to any other person to whom this certificate is shown or into those hands it may come without our prior written consent in writing.

For S P SRIVASTAVA & Associates
Chartered Accountants
FRN No. 025663S



S K Subramanian

Partner

M.No. 205737

UDIN: 24205737BKBIMP7038

Place: Bangalore

Date: 28/03/2024

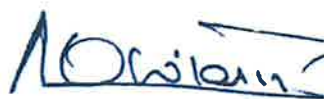
Annexure 1

Relevant extracts of the proposed accounting treatment specified in Clause 18 of Part C, Accounting Treatment pursuant to the draft Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVCMPPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company") and their respective shareholders and creditors (the "Scheme") under sections 230 to 232 of the Companies Act, 2013 ("Act") and other applicable provisions of law

PART C**18. DISSOLUTION OF TRANSFEROR COMPANIES**

18.1 Upon the coming into effect of Part C of this Scheme and with effect from the Appointed Date, each of the Transferor Companies shall stand dissolved without being wound up, without any further act or deed and no specific accounting is prescribed in the Indian Accounting Standards specified under Section 133 of the Act for such transfer.

For Kanvas Concepts Private Limited



Abhilash Padmanabh Kamti
Director, DIN: 01587117



Place: Bangalore
Date: 28/03/2024





Compliance Report

It is hereby certified that the draft Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company") and their respective shareholders and creditors (the "Scheme") under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") does not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s) and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations) and this circular, including the following:

| | Reference | Particulars | Remarks |
|-------------------------------|--|---|---------------|
| 1 | Regulations 17 to 27 of LODR Regulations | Corporate governance requirements | In compliance |
| 2 | Regulation 11 of LODR Regulations | Compliance with securities laws | In compliance |
| Requirements of this circular | | | |
| (a) | Para (I)(A)(2) | Submission of documents to Stock Exchanges | In compliance |
| (b) | Para (I)(A)(2) | Conditions for schemes of arrangement involving unlisted entities | In compliance |
| (c) | Para (I)(A)(4) (a) | Submission of Valuation Report | In compliance |
| (d) | Para (I)(A)(5) | Auditors certificate regarding compliance with Accounting Standards | In compliance |

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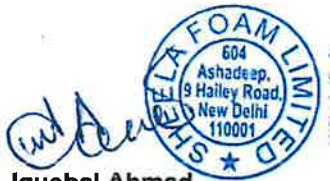
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| | | | |
|-----|-----------------|---|--|
| (e) | Para (I)(A)(10) | Provision of approval of public shareholders through e-voting | The requirement stated in Para (I)(A)(10)(b) are applicable to the proposed Composite Scheme of Arrangement and the Company shall obtain approval from the public shareholders of SFL by way of e-voting and comply with the provisions requiring approval of public shareholders through e-voting |
|-----|-----------------|---|--|



Md. Iqbal Ahmad
Company Secretary



Tushaar Gautam
Managing Director

Certified that the transactions / accounting treatment provided in the draft scheme of arrangement involving Belvedere International Limited, Kanvas Concepts Private Limited, Kurlon Retail Limited, Komfort Universe Products And Services Limited, Starship Value Chain and Manufacturing Private Limited, Kurlon Enterprise Limited, and Sheela Foam Limited are in compliance with all the Accounting Standards applicable to a listed entity.



Amit Kumar Gupta
Group Chief Financial Officer



Tushaar Gautam
Managing Director

Date: April 04, 2024
Place: New Delhi

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REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF SHEELA FOAM LIMITED RECOMMENDING THE COMPOSITE SCHEME OF ARRANGEMENT BETWEEN BELVEDORE INTERNATIONAL LIMITED, KANVAS CONCEPTS PRIVATE LIMITED, KURLON RETAIL LIMITED, KOMFORT UNIVERSE PRODUCTS & SERVICES LIMITED, STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED, KURLON ENTERPRISE LIMITED, AND SHEELA FOAM LIMITED AT ITS MEETING HELD ON THURSDAY, MARCH 28, 2024 THROUGH VIDEO CONFERENCE (VC)/OTHER AUDIO-VISUAL MEANS (OAVM)

MEMBERS PRESENT

- | | |
|------------------------------|------------------------|
| 1. Mr. Som Mittal | - Independent Director |
| 2. Mr. Ravindra Dhariwal | - Independent Director |
| 3. Mr. Anil Tandon | - Independent Director |
| 4. Ms. Meena Jagtiani | - Independent Director |
| 5. Mr. Vijay Kumar Ahluwalia | - Independent Director |

The quorum was present at the Meeting and remained till the conclusion of the Meeting.

1. Background

- 1.1 A meeting of the Committee of Independent Directors of Sheela Foam Limited was held on March 28, 2024, to consider and recommend to the Board of Directors of SFL ("Board"), the draft Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5") (collectively hereinafter referred to as the **Transferor Companies**), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company") and their respective shareholders and creditors (the "**Scheme**") under sections 230 to 232 of the Companies Act, 2013 ("Act") and other applicable provisions of law.

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- 1.2 The Company was incorporated under the provisions of the Companies Act, 2013, engaged in the business of manufacture flexible, semi-flexible and rigid Poly-Urethane Foam slabs and allied products and processing and fabrication thereof and mattresses and cushions upholstery material, manufacture of furniture; packing material and insulation material, moulding of rigid Poly-Urethane for various shapes and size and manufacture of jackets and such other items by way of lamination of Poly-Urethane Foam with fabric and manufacture of products that may be allied or may be usefully combined with manufacture of any of the material mentioned above. The equity shares of the Company are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").
- 1.3 KEL or Transferee Company or Amalgamating Company is a company incorporated under the provisions of the Companies Act, 2013. The Amalgamating Company is a subsidiary of the Company and is engaged in the business of manufacturing/ trading in diverse areas such as rubberized coir, latex foam, polyurethane foam, bonded foam, pillows, spring mattresses, furniture, furnishings, sofas etc.
- 1.4 BIL or Transferor Company 1 is a company incorporated under the provisions of the Companies Act, 2013. It is a wholly owned subsidiary of the Amalgamating Company and is engaged in the business of buying, selling, reselling, importing, exporting, transporting, storing, promoting, marketing, manufacturing or supplying, trading, dealing in any manner whatsoever in all type of goods including Mattresses, Pillows, Furniture and other related Products and Services of international brands on retail and B2B basis in India.
- 1.5 KCPL or Transferor Company 2 is a company incorporated under the provisions of the Companies Act, 2013. It is a wholly owned subsidiary of the Amalgamating Company and is engaged in the business of interiors and exteriors of Homes, stage designer, furnishing, designing, decorating, renovating and remodelling of bungalows, houses, shops, show rooms, complexes, apartments, offices, hotels, restaurants and other commercials and residential houses and for the purpose to act as organizer, consultant, advisor, trader, buyer, seller, supervisor, surveyor, broker, agent and to do all other incidental acts and things necessary for the attainment of the above objects.
- 1.6 KRL or Transferor Company 3 is a company incorporated under the provisions of the Companies Act, 2013. It is a wholly owned subsidiary of the Amalgamating Company and is engaged in the

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business of buying, selling, storing, promoting, marketing, supplying, trading and dealing in mattresses, pillow, sofa and furniture on retail in India.

- 1.7 KUPSL or Transferor Company 4 is a company incorporated under the provisions of the Companies Act, 2013. It is a wholly owned subsidiary of the Amalgamating Company and is engaged in the business of buying, selling, reselling, importing, exporting, transporting, storing, promoting, marketing, supplying, dealing and trading of Semi-finished Goods (SFG), foam products, RC Pads, EPE Products and other related Products and Services on B2B basis in India and outside India.
- 1.8 SVC MPL or Transferor Company 5 is a company incorporated under the provisions of the Companies Act, 2013. It is a wholly owned subsidiary of the Amalgamating Company and is engaged in the business as manufacturer, designers, buyers, sellers, importers, exporters, workers, transporters, suppliers of all types of home comfort products, home décor items including furniture, mattresses, pillows, cushions, perfumers on retail and manufacture of all types of furniture equipment appliances for domestic, office, industrial as well as on wholesale basis in India as well as outside India.
- 1.9 This report of the Committee of Independent Directors is made to comply with the requirements of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Clause 2 (c) of Para A of Part I of the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23 November 2021 ("~~SEBI Master Circular~~") and as amended from time to time.
- 1.10 The Committee of Independent Directors has discussed and has made this report after pursuing the following documents in detail:
- a) Draft Scheme;
 - b) Share swap ratio report dated March 28, 2024 issued by Arunesh Kumar Dubey, Registered Valuer ((Registration No. IBBI/RV/03/2020/12786) ("~~Share Swap Ratio Report~~"), describing the methodology adopted by them in arriving at the recommended share swap ratio;

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- c) Fairness Opinion dated March 28, 2024 issued by M/s Navigant Corporate Advisors Limited, an Independent SEBI Registered Category-I Merchant Banker (SEBI Registration INM000012243), ("Fairness Opinion"), providing its opinion on the fairness of share swap ratio as recommended in the Share Swap Ratio Report;
- d) Certificate dated March 28, 2024 issued by M/s M S K A & Associates Chartered Accountants (FRN: 105047W), Statutory Auditors of the Company, confirming that the accounting treatment stated in the draft Scheme is in compliance with the accounting standards prescribed under section 133 of the Act and generally accepted accounting principles; and

2. Salient Features of the Scheme

2.1 The Committee of Independent Directors noted the brief particulars of the draft Scheme as under:

- a) The Scheme (as defined herein) is presented inter alia under Sections 230 to 232 and other applicable provisions of the Act, SEBI Master circular read with Section 2(1B) and other applicable provisions of the Income-tax Act, 1961 and other applicable law, if any.
- b) The Scheme provides for the amalgamation of:
 - (i) the Transferor Companies with the Transferee Company with effect from the Appointed Date and the consequent dissolution of the Transferor Companies without being wound up; and
 - (ii) the Amalgamating Company with the Amalgamated Company with effect from the Appointed Date and the consequent dissolution of the Amalgamating Company without being wound up; and issuance of the shares New Equity Shares to the equity shareholders of Amalgamating Company in accordance with Share Exchange Ratio, pursuant to section 230-232, and other relevant provisions of the Companies Act, in the matter provided for in this Scheme and in compliance with the provisions of the Income Tax Act (as defined hereinafter)
- c) The appointed date for the proposed Scheme shall be October 20, 2023 ("Appointed Date").
- d) Upon the Scheme becoming effective, in consideration of the proposed transaction of:

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- (i) The Transferor Companies with the Transferee Company: Upon the coming into effect of this Scheme and with effect from the Appointed Date, and in consideration of the transfer of and vesting of the Undertakings of the Transferor Companies in the Transferee Company, in terms of the Scheme, all the equity shares issued by the respective Transferor Companies and held by the Transferee Company and its nominees shall stand cancelled and extinguished and in lieu thereof, there shall be no allotment of equity shares in the Transferee Company or payment of any consideration
- (ii) The Amalgamating Company with the Amalgamated Company: Upon the coming into effect of this Scheme and with effect from the Appointed Date, and in consideration of the transfer of and vesting of the Undertaking of the Amalgamating Company in the Amalgamated Company, the Amalgamated Company shall, without any further application, act or deed, issue and allot to the shareholders of the Amalgamating Company whose names are recorded in the Register of Members as a member of the Amalgamating Company on the record date (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of the Amalgamated Company), such number of new equity shares as determined by the valuer in the valuation report and approved by the Board.
- c) With effect from Appointed Date and upon Part C of the proposed Scheme becoming effective, the Transferor Companies along with all assets, liabilities, contracts, employees, licenses, records, approvals etc. being integral parts of the Transferor Companies shall stand transferred to and vest in or shall be deemed to have been transferred to and vested in the Transferee Company, as a going concern, without any further act, instrument or deed, together with all properties, assets, liabilities, rights, benefits and interest therein, subject to the provisions of the Scheme in accordance with Sections 230-232 of the Companies Act, 2013, the Income-tax Act, 1961 and applicable provisions, if any.
- f) The Transferee Company shall, upon the Scheme becoming effective and with effect from Appointed Date, record the assets and liabilities of the Transferor Companies (as appearing in the books of accounts of the Transferor Companies at the close of business on the day

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preceding the effective date of the Scheme) as vested in it pursuant to the Scheme, at the respective book values thereof.

- g) With effect from Appointed Date and upon the Part D of the proposed Scheme becoming effective, the Amalgamating Company along with all their assets, liabilities, contracts, employees, licenses, records, approvals etc. being integral parts of the Amalgamating Company shall stand transferred to and vest in or shall be deemed to have been transferred to and vested in the Amalgamated Company, as a going concern, without any further act, instrument or deed, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to the provisions of the Scheme, in accordance with Sections 230-232 of the Companies Act, 2013, the Income- tax Act, 1961 and applicable provisions, if any.
- h) The Amalgamated Company shall, upon the Scheme becoming effective and with effect from Appointed Date, record the assets, liabilities and reserves, if any, of the Amalgamating Company vested in it pursuant to this Scheme, at the respective book values and in the same form as appearing in the Consolidated financials of Amalgamated Company.
- i) During the period between the approval of the Scheme by the respective Boards of the Transferor Companies, Amalgamating Company and the Amalgamated Company and up to the Effective Date (as defined in the Scheme), the businesses of the Transferor Companies, Amalgamating Company and the Amalgamated Company shall be carried out with reasonable diligence and business prudence in the ordinary course consistent with past practice.
- j) The effectiveness of the scheme is contingent upon certain conditions as mentioned in the Scheme.

3. Proposed Scheme

3.1. Need for the amalgamation and rationale of the scheme:

The Amalgamating Company, along with Transferor Companies, has been the second largest mattress manufacturer, with leadership position in southern and eastern parts of the country, apart from sizeable presence in other parts. Also, the Amalgamating Company is approximately 65-year-old company with a very strong brand.

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The Board of Directors of the Amalgamated Company in its meeting held on July 17, 2023, had approved the acquisition of the Amalgamating Company, along with Transferor Companies, with a view to further strengthen the leadership position in the mattress and foam segments across the country.

The intent of acquisition of the Amalgamating Company, along with Transferor Companies was always to run all the companies, as one-operation going forward i.e. subsequently amalgamate the companies into a single entity.

The Scheme would *inter-alia* have the following benefits:

- (a) Procurement synergies arising on account of higher volume discounts, and ability to negotiate best possible prices;
- (b) Deeper manufacturing footprint, as materials of both the business can be made in any plant location, resulting in enhanced efficiency as well as reduction in servicing time;
- (c) Rationalization of logistic costs considering the combined volume;
- (d) Open-up the door for a new sales channel strategy, enhancing penetration/coverage and leading to better sales;
- (e) Structured, sharper and better management focusing on holistic growth of the businesses;
- (f) Optimum and efficient utilization of resources and sharing of ancillary facilities;
- (g) Common governance structure and effective management of compliances;
- (h) Enhancing shareholder value and leveraging on synergies in doing the business; and
- (i) Cost saving by way of reduction of overheads, administrative, managerial and other expenditure and to bring about operational rationalization and efficiency.

3.1.1 Given the similarity in nature of businesses of the Transferor Companies, the Amalgamating Company and the Amalgamated Company, it is proposed to merge the Transferor Companies with Amalgamating Company (pursuant to Part C of this Scheme) and (post Part C comes into effect) merger the Amalgamating company with Amalgamated Company (pursuant to Part D of this Scheme). The merger shall result in greater business synergies and reduced administrative and other costs.



3.2 Synergies of the business of the entities involved in the Scheme:

The Committee reviewed the Scheme and noted that the Scheme would result in further consolidate of the SFL position in the foam and mattresses business where it has already established a leadership position. The Scheme also ensures simplified and streamlined group structure. It helps in achieving reduction in overall operational and compliance costs.

3.3 Impact of the Scheme on the shareholders

- (a) The Scheme is expected create value for stakeholders including respective shareholders, customers, lenders and employees as the combined business would benefit from increased scale, product diversification and expanded reach with increased ability to growth opportunities, higher cross selling opportunities to a larger base of customers, improvement in productivity and operational efficiencies amongst others;
- (b) The Scheme is expected to be beneficial to the shareholders of the Amalgamated Company leading to opportunity for growth and value creation in the long run and maximizing the value and returns to the shareholders, achieving cost and operational efficiencies;
- (c) It is expected to provide greater efficiency in cash management and unfettered access to cash flow generated by the combined business, which can be deployed more efficiently, to maximise shareholder value;
- (d) In consideration for the amalgamation of the Amalgamating Company with the Amalgamated Company, the shareholders of the Amalgamating Company, as on the Specified Date (as defined in the Scheme) shall receive new equity shares of the Amalgamated Company. Further, the rights and interests of the shareholders of the Amalgamated Company will not be prejudicially affected by the Scheme, and there will be no change in the economic interest of the shareholders of the Amalgamated Company, before and after the Scheme. The equity shares to be issued by the Amalgamated Company to the shareholders of the Amalgamating Company pursuant to the Scheme shall rank pari passu in all respects with the existing equity shares of the Amalgamated Company;

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- (e) The shareholders of the Amalgamated Company will continue to be the shareholders of the Company;
- (f) Upon the Scheme becoming effective, the Amalgamating Company shall be dissolved without being wound up and the shareholders of the Amalgamating Company shall become shareholders of the Amalgamated Company;
- (g) After the effectiveness of the Scheme and subject to the receipt of regulatory approvals, the equity shares of the Amalgamated Company issued as consideration pursuant to the Scheme, shall be listed on BSE Limited and the National Stock Exchange of India Limited.

3.4 Cost benefit analysis of the Scheme

The Scheme is expected to provide an opportunity to improve the economic value for the companies involved in the Scheme and their shareholders, in view of the consolidation of the businesses. This is primarily on account of various cost and operational synergies which are expected to accrue to the Amalgamated Company on account of the Scheme and more particularly detailed out in the aforesaid paragraphs. While the Scheme would lead to incurring of some costs towards its implementation; however, the benefits of the Scheme over a longer period would far outweigh such costs for the stakeholders of the Amalgamated Company.

4 Valuation Report and Fairness Opinion

The Committee of Independent Directors reviewed the:

- a) the Valuation Report along with the summary thereof and noted the method of valuation; and
- b) the Fairness Opinion.

5 Recommendation of the Committee of Independent Directors

The Committee of Independent Directors has taken on record the Share Swap Ratio Report and the Fairness Opinion and the recommendations made therein.

Taking into consideration the draft Scheme, Share Swap Ratio Report, Fairness Opinion and Certificate(s) issued by Statutory Auditors of the Amalgamated Company, need for the amalgamation and rationale of the Scheme, synergies of the business of the companies, impact of

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the Scheme on the shareholders, cost benefit analysis of the Scheme and other documents placed before the Committee of Independent Directors, the Committee of Independent Directors recommends the draft Scheme for the favourable consideration and approval by the Board of Directors of the Amalgamated Company.

By Order of the Members of the Committee of Independent Directors

For and on Behalf of Sheela Foam Limited



(Som Mittal)
Chairman

DIN: 00074842

Date: March 28, 2024

Place: Noida

SHEELA FOAM LTD.

#14, Sleepwell Tower , Sector 135, Noida- 201301

Ph: Int-91(0)-120-4868400 • Email: contactus@sheelafoam.com

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CIN-L74899DL1971PLC005679



To
The Board of Directors
Sheela Foam Limited.
604 Ashadeep, 9 Hailey Road
New Delhi - 110001

Date: 03.04.2024

Certificate of Practicing Company Secretary on proposed preferential allotment of equity shares to a select group of shareholders or shareholders of unlisted companies pursuant to draft Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company"), and Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company") and their respective shareholders and creditors ("Scheme") pursuant to the requirements of regulation 158(1)(b) read with Regulation 163(2) and 164(1) of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("SEBI (ICDR) Regulations 2018")

1. We, AVA Associates, Company Secretaries, have been requested by the Company to certify the accompanying Statement of Computation of Minimum Price at which shares should be allotted to the shareholders of Kurlon Enterprise Limited pursuant to Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company"), and Sheela Foam Limited ("SFL" or "Amalgamated Company") and their respective Shareholders and Creditors ("Scheme");
2. We have examined the accompanying statement of computation for arriving at the applicable minimum price per share ('the accompanying Statement') in compliance with the requirements of regulation 164(1) of Chapter V of SEBI (ICDR) Regulations 2018, for the proposed preferential issue of equity shares of the Company to the shareholders of Amalgamating Company pursuant to the Scheme approved by the Board of Directors (the 'Board') in its meeting held on 28th March, 2024;
3. We have downloaded the data of aggregate daily turnover in the scrip over the Period of 90 & 10 trading days and the total number of shares traded during the period from the official website of



National Stock Exchange ('NSE') and computed the Volume Weighted Average Price and traced the same in the Statement;

4. The minimum issue price for the proposed preferential issue of Sheela Foam Limited, based on the pricing formula prescribed under Regulation 164 of Chapter V of SEBI: (Issue of Capital and Disclosure Requirements) Regulations, 2018 has been worked out at Rs. 1137.99/- from the website of NSE (National Stock Exchange) being the highest trading volume in respect of the equity shares of the issuer been recorded during the preceding (90 trading days) prior to the relevant date which.

Management's responsibility

1. The preparation of the accompanying Statement is the sole responsibility of the management of the Company including the creation and maintenance of all records supporting the contents of the Statement. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the accompanying Statement.
2. Management is also responsible for ensuring that the Company complies with the requirements of the SEBI (ICDR) Regulations, 2018 and the Companies Act, 2013 in relation to the proposed preferential allotment of equity shares and for providing all the information to the National Stock Exchange ('NSE') and Bombay Stock Exchange ('BSE').
3. Further, the management of the Company is also responsible for:-
 - a. Determining the relevant date, which is March 28, 2024, as per ICDR regulations, being the date of the meeting in which the Board of Directors of the Company approved the Scheme;
 - b. Determining the stock exchange i.e NSE with the highest trading volume in equity shares recorded during the 240 trading days preceding the relevant date ;
 - c. Determining that the minimum price is not less than the higher of the following:
 - i. The 90 trading days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date; or
 - ii. The 10 trading days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date.



Auditor's responsibility

4. Pursuant to the requirements of regulation 164(1) of SEBI (ICDR) regulations, 2018, it is our responsibility to examine the accompanying Statement and report whether the accompanying Statement is prepared in compliance with the pricing requirements of regulation 164(1) of Chapter V of SEBI (ICDR) Regulations 2018.
5. In relation to paragraph 6 above, we have examined the following records and documents:
 - a) Obtain and read the certified true copy of the minutes of meeting of Board of Directors held on March 28, 2024 being the date of meeting in which the Board of Directors of the Company approved the Scheme;
 - b) Obtain the statement of Computation of Minimum Price for the proposed Preferential issue calculated based on the pricing formula prescribed under Regulation 164(1) of the ICDR regulations;
 - c) Draft Composite Scheme of Arrangement;
 - d) Historical price data of equity shares of the Company extracted from the website of NSE and BSE;
 - e) Reviewed the computation of the minimum issue price determined by the management based on the higher of (i) or (ii) as provided below:
 - (i) The 90 trading days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date; or
 - (ii) The 10 trading days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date;
6. We have complied with the relevant applicable requirements of the Guidance Note on Audit Engagement (CSAS-1) Auditing Standard on Audit Process and Documentation (CSAS-2) ; Auditing Standard on Forming of Opinion (CSAS-3) that perform Audits and Reviews of Historical Financial Information and Other Related Services Engagements.

Opinion

7. Based on our examination and according to the information, explanations and representations provided to us, we are of the opinion that, the accompanying Statement is prepared in compliance



Restriction on use

8. This certificate is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the SEBI (ICDR) regulations, 2018 for onward submission to the NSE and BSE and should not be used by any other person or for any other purpose. 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 certificate is shown or into whose hands it may come without our prior consent in writing.

For AVA Associates
Company Secretaries



Amitabh

Partner

ACS: 14190

CP: 5500

UDIN: A014190F000021439

Date: 03.04.2024

Place: Delhi

Statement of Computation of Minimum Price at which shares should be allotted to the shareholders of Kurlon Enterprise Limited pursuant to Composite Scheme of Arrangement Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company"), and Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company") and their respective shareholders and creditors.

| Valuation using the Market Price ("MP") method - Market Approach of Sheela Foam Limited | | | |
|---|------------------------------|---------------|------------------|
| Relevant date | 28 th March, 2024 | | |
| Relevant Exchange | NSE | | |
| <u>Particulars</u> | <u>Reference</u> | <u>Unit</u> | <u>Price INR</u> |
| Average of 90 trading days volume weighted average price ("VWAP") preceding the relevant date | A | INR per share | 1137.99 |
| Average of 10 trading days volume weighted average price ("VWAP") preceding the relevant date | B | INR per share | 944.99 |
| Market price as per ICDR | C = Higher of A and B | INR per share | 1137.99 |



Reference "A"

Average of 90 trading days volume weighted average price ("VWAP") preceding the relevant date i.e. 28th March, 2024.

| Days | Date | Number of shares traded | Daily turnover (INR) | Days | Date | Number of shares traded | Daily turnover (INR) |
|------|-----------|-------------------------|----------------------|------|-----------|-------------------------|----------------------|
| 1 | 17-Nov-23 | 18814 | 20808333 | 46 | 23-Jan-24 | 36085 | 41222863 |
| 2 | 20-Nov-23 | 222260 | 253331675 | 47 | 24-Jan-24 | 27337 | 30937546 |
| 3 | 21-Nov-23 | 155870 | 182399482 | 48 | 25-Jan-24 | 16842 | 19118559 |
| 4 | 22-Nov-23 | 88381 | 101754742 | 49 | 29-Jan-24 | 66999 | 76458646 |
| 5 | 23-Nov-23 | 57685 | 67022866 | 50 | 30-Jan-24 | 41818 | 47397277 |
| 6 | 24-Nov-23 | 71872 | 84238190 | 51 | 31-Jan-24 | 98600 | 114354857 |
| 7 | 28-Nov-23 | 51053 | 59716800 | 52 | 01-Feb-24 | 70560 | 80871974 |
| 8 | 29-Nov-23 | 42065 | 48723656 | 53 | 02-Feb-24 | 27181 | 30848847 |
| 9 | 30-Nov-23 | 125714 | 144128069 | 54 | 05-Feb-24 | 47265 | 53872219 |
| 10 | 01-Dec-23 | 62869 | 72869279 | 55 | 06-Feb-24 | 53562 | 61843563 |
| 11 | 04-Dec-23 | 50751 | 59197261 | 56 | 07-Feb-24 | 107932 | 121928467 |
| 12 | 05-Dec-23 | 193467 | 228649673 | 57 | 08-Feb-24 | 52847 | 59600524 |
| 13 | 06-Dec-23 | 53414 | 62096029 | 58 | 09-Feb-24 | 43754 | 48275191 |
| 14 | 07-Dec-23 | 36010 | 41841758 | 59 | 12-Feb-24 | 38567 | 41809549 |
| 15 | 08-Dec-23 | 37637 | 43571176 | 60 | 13-Feb-24 | 57437 | 62339896 |
| 16 | 11-Dec-23 | 65550 | 76100139 | 61 | 14-Feb-24 | 90372 | 98984478 |



| | | | | | | | |
|----|-----------|--------|-----------|----|-----------|--------|-----------|
| 17 | 12-Dec-23 | 44295 | 51780488 | 62 | 15-Feb-24 | 23109 | 25143920 |
| 18 | 13-Dec-23 | 275344 | 332548116 | 63 | 16-Feb-24 | 34966 | 38341416 |
| 19 | 14-Dec-23 | 322375 | 400242398 | 64 | 19-Feb-24 | 38408 | 41632332 |
| 20 | 15-Dec-23 | 448553 | 573577249 | 65 | 20-Feb-24 | 30722 | 33199762 |
| 21 | 18-Dec-23 | 203587 | 257459146 | 66 | 21-Feb-24 | 24172 | 25953193 |
| 22 | 19-Dec-23 | 85421 | 107699919 | 67 | 22-Feb-24 | 18475 | 19756636 |
| 23 | 20-Dec-23 | 184243 | 230040078 | 68 | 23-Feb-24 | 42931 | 45487925 |
| 24 | 21-Dec-23 | 57524 | 69989914 | 69 | 26-Feb-24 | 21601 | 22655392 |
| 25 | 22-Dec-23 | 90354 | 109381017 | 70 | 27-Feb-24 | 20239 | 21138552 |
| 26 | 26-Dec-23 | 22777 | 27749053 | 71 | 28-Feb-24 | 99710 | 103465013 |
| 27 | 27-Dec-23 | 36505 | 44316120 | 72 | 29-Feb-24 | 41807 | 43153979 |
| 28 | 28-Dec-23 | 88680 | 109911206 | 73 | 01-Mar-24 | 20890 | 22030256 |
| 29 | 29-Dec-23 | 48520 | 60232666 | 74 | 02-Mar-24 | 1920 | 2023154 |
| 30 | 01-Jan-24 | 51567 | 64282566 | 75 | 04-Mar-24 | 17652 | 18426623 |
| 31 | 02-Jan-24 | 50750 | 62963650 | 76 | 05-Mar-24 | 25029 | 25745363 |
| 32 | 03-Jan-24 | 29447 | 36168986 | 77 | 06-Mar-24 | 41589 | 42117521 |
| 33 | 04-Jan-24 | 41320 | 50774277 | 78 | 07-Mar-24 | 38052 | 38737838 |
| 34 | 05-Jan-24 | 39263 | 48282797 | 79 | 11-Mar-24 | 38832 | 39091660 |
| 35 | 08-Jan-24 | 88123 | 105878778 | 80 | 12-Mar-24 | 37080 | 36900610 |
| 36 | 09-Jan-24 | 185573 | 228722038 | 81 | 13-Mar-24 | 60547 | 58580704 |
| 37 | 10-Jan-24 | 34095 | 40909281 | 82 | 14-Mar-24 | 127887 | 124100595 |
| 38 | 11-Jan-24 | 78301 | 96725524 | 83 | 15-Mar-24 | 63408 | 60816884 |



| | | | | | | | |
|--|-----------|-------|-----------|----|-----------|---------|------------|
| 39 | 12-Jan-24 | 58032 | 71238243 | 84 | 18-Mar-24 | 40030 | 38444555 |
| 40 | 15-Jan-24 | 88564 | 107707287 | 85 | 19-Mar-24 | 42684 | 40492490 |
| 41 | 16-Jan-24 | 58899 | 71007361 | 86 | 20-Mar-24 | 71027 | 66451248 |
| 42 | 17-Jan-24 | 78320 | 92125211 | 87 | 21-Mar-24 | 106970 | 100735235 |
| 43 | 18-Jan-24 | 76447 | 89370963 | 88 | 22-Mar-24 | 192425 | 183074715 |
| 44 | 19-Jan-24 | 58436 | 67689124 | 89 | 26-Mar-24 | 102673 | 95856202 |
| 45 | 20-Jan-24 | 59525 | 68858038 | 90 | 27-Mar-24 | 457863 | 427351010 |
| Total | | | | | | 7078108 | 8054849862 |
| VWAP of 90 trading days volume weighted average price ("VWAP") preceding the relevant date | | | | | | | 1137.99 |

Reference "B"

Average of 10 trading days volume weighted average price ("VWAP") preceding the relevant date i.e 28th March, 2024.

| Days | Date | Number of shares traded during the day | Daily turnover (INR) |
|------|-----------|--|----------------------|
| 1 | 13-Mar-24 | 60,547 | 5,85,80,704.15 |
| 2 | 14-Mar-24 | 1,27,887 | 12,41,00,594.85 |
| 3 | 15-Mar-24 | 63,408 | 6,08,16,884.30 |
| 4 | 18-Mar-24 | 40,030 | 3,84,44,554.60 |
| 5 | 19-Mar-24 | 42,684 | 4,04,92,490.25 |
| 6 | 20-Mar-24 | 71,027 | 6,64,51,248.45 |
| 7 | 21-Mar-24 | 1,06,970 | 10,07,35,235.20 |



| | | | |
|---|-----------|-----------|-----------------|
| 8 | 22-Mar-24 | 1,92,425 | 18,30,74,714.90 |
| 9 | 26-Mar-24 | 1,02,673 | 9,58,56,201.60 |
| 10 | 27-Mar-24 | 4,57,863 | 42,73,51,010 |
| Total | | 12,65,514 | 1,19,59,03,638 |
| VWAP of 10 trading days volume weighted average price ("VWAP") preceding the relevant date | | | 944.99 |





Brief particulars of Belvedere International Limited (“BIL” or Transferor Company 1), Kanvas Concepts Private Limited (“KCPL” or “Transferor Company 2”), Kurlon Retail Limited (“KRL” or “Transferor Company 3”), Komfort Universe Products And Services Limited (“KUPSL” or “Transferor Company 4”), Starship Value Chain and Manufacturing Private Limited (“SVC MPL” or “Transferor Company 5”), Kurlon Enterprise Limited (“KEL” or “Transferee Company” or “Amalgamating Company”), and Sheela Foam Limited (“SFL” or “Amalgamated Company” or “Company”)

| Particulars | Belvedere International Limited (“BIL” or Transferor Company 1) | Kanvas Concepts Private Limited (“KCPL” or “Transferor Company 2”) | Kurlon Retail Limited (“KRL” or “Transferor Company 3”) | Komfort Universe Products And Services Limited (“KUPSL” or “Transferor Company 4”) | Starship Value Chain and Manufacturing Private Limited (“SVC MPL” or “Transferor Company 5”) | Kurlon Enterprise Limited (“KEL” or “Transferee Company” or “Amalgamating Company”) | Sheela Foam Limited (“SFL” or “Amalgamated Company” or “Company”) |
|---|---|--|---|--|--|---|---|
| Name of the company | Belvedere International Limited | Kanvas Concepts Private Limited | Kurlon Retail Limited | Komfort Universe Products and Services Limited | Starship Value Chain and Manufacturing Private Limited | Kurlon Enterprise Limited | Sheela Foam Limited |
| Date of Incorporation & details of name changes, if any | 21 st December 2020 | 22 nd September 2020 | 31 st August 2012 | 18 th January 2021 | 09 th October, 2020 | 3 rd October 2011 | 18 th June 1971 |

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 Toll Free: 1800 103 6664 • www.sleepwellproducts.com • www.sheelafoam.com
 CIN-L74899DL1971PLC005679





| | | | |
|---------------------------------|---|---|--|
| Registered Office | N-301, 3rd Floor, North Block Manipal Centre 47 Dickenson Road, Bangalore, Karnataka, India, 560042 | #1002/1006, The Avenue, International A Opp. Hotel Leela, Andheri (East), Mumbai, Maharashtra, India, 400059 | 604 Ashadeep, 9 Hailey Road, New Delhi, New Delhi, Delhi, India, 110001 |
| Brief particulars of the scheme | The Composite Scheme of Arrangement ("Scheme") provides for (i) Amalgamation of Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4 and Transferor Company 5 (collectively hereinafter referred to as the Transferor Companies), respectively into Transferee Company, with effect from the Appointed Date (as defined in Scheme) and the consequent dissolution of the Transferor Companies without being wound up; and (ii) Amalgamation of Amalgamating Company with Amalgamated Company with effect from the Appointed Date (as defined hereinafter) and the consequent dissolution of the Amalgamating Company without being wound up; and issuance of the shares New Equity Shares (as defined in Scheme) to the equity shareholders of Amalgamating Company in accordance with Share Exchange Ratio (as defined hereinafter), pursuant to section 230-232, and other relevant provisions of the Companies Act, in the matter provided for in this Scheme and in compliance with the provisions of the Income Tax Act (as defined hereinafter) ("Amalgamation"). | | |
| Rationale for the scheme | The Amalgamating Company, alongwith Transferor Companies, has been the second largest mattress manufacturer, with leadership position in southern and eastern parts of the country, apart from sizeable presence in other parts. Also, the Amalgamating Company is approximately 70-year-old company with a very strong brand. | | |

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The Board of Directors of the Amalgamated Company in its meeting held on July 17, 2023, had approved the acquisition of the Amalgamating Company, along with Transferor Companies, with a view to further strengthen the leadership position in the mattress and foam segments across the country.

The intent of acquisition of the Amalgamating Company, alongwith Transferor Companies was always to run all the companies, as one-operation going forward i.e. subsequently amalgamate the companies into a single entity.

The Scheme would *inter-alia* have the following benefits:

- (a) Procurement synergies arising on account of higher volume discounts, and ability to negotiate best possible prices;
- (b) Deeper manufacturing footprint, as materials of both the business can be made in any plant location, resulting in enhanced efficiency as well as reduction in servicing time;
- (c) Rationalization of logistic costs considering the combined volume;
- (d) Open-up the door for a new sales channel strategy, enhancing penetration/coverage and leading to better sales;
- (e) Structured, sharper and better management focusing on holistic growth of the businesses;
- (f) Optimum and efficient utilization of resources and sharing of ancillary facilities;
- (g) Common governance structure and effective management of compliances;
- (h) Enhancing shareholder value and leveraging on synergies in doing the business; and
- (i) Cost saving by way of reduction of overheads, administrative, managerial and other expenditure and to bring about operational rationalization and efficiency.

Given the above, and similarity in nature of businesses of the Transferor Companies, the Amalgamating Company and the Amalgamated Company, it is proposed to merge the Transferor Companies with Amalgamating Company and merge the

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| | | | | | | | |
|--|--|--|--|--|--|---|--|
| | Amalgamating company with Amalgamated Company. The merger shall result in greater business synergies and reduced administrative and other costs. | | | | | | |
| Date of resolution passed by the Board of Director of the company approving the scheme | 28/03/2024 | 28/03/2024 | 28/03/2024 | 28/03/2024 | 28/03/2024 | 28/03/2024 | 28/03/2024 |
| Date of meeting of the Audit Committee in which the draft scheme has been approved | NA | | | | | 28/03/2024 | 28/03/2024 |
| Appointed Date | 20/10/2023 | 20/10/2023 | 20/10/2023 | 20/10/2023 | 20/10/2023 | 20/10/2023 | 20/10/2023 |
| Name of Exchanges where securities of the company are listed | Not Listed | | | | | | a) BSE Limited b) National Stock Exchange of India Limited |
| Nature of Business | BIL is engaged in the business of buying, selling, reselling, importing, | KCPL is engaged in the business of interiors & exteriors of Homes, stage designer, furnishing, | KRL is engaged in the business of buying, selling, storing, promoting, marketing, supplying, | KUPSL is engaged in the business of buying, selling, reselling, importing, | SVCMPPL is engaged in the Business of manufacturer, designers, buyers, sellers, importers, | KEL is engaged in the business of manufacturing/trading in diverse areas such as rubberized coir, | SFL is engaged in the business of manufacture flexible, semi-flexible and rigid Poly-Urethane Foam slabs and allied products and |

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| | | | | | | |
|--|---|---|--|--|--|---|
| exporting, transporting, storing, promoting, marketing, manufacturing or supplying, trading, dealing in any manner whatsoever in all type of goods including Mattresses, Pillows, Furniture and other related products and services of international brands on | designing, decorating, renovating and remodeling of bungalows, houses, shops, show rooms, complexes, apartments, offices, hotels, restaurants and other commercials and residential houses and for the purpose to act as organizer, consultant, advisor, trader, buyer, seller, supervisor, surveyor, broker, agent and to do | trading and dealing in mattresses, pillow, sofa and furniture on retail in India. | exporting, transporting, storing, promoting, marketing, supplying, dealing and trading of Semi-finished Goods (SFG), foam products, RC Pads, EPE Products and other related Products and Services on B2B basis in India and outside India. | exporters, workers, transporters, suppliers, of all types of home décor items including furniture, mattress, pillows, cushions, perfumers on retail and to manufacture of all types of furniture equipment appliances for domestic, office, industrial as well as on wholesale basis in India as | latex foam, polyurethane foam, bonded foam, pillows, spring mattresses, furniture, furnishings, sofas etc. | processing and fabrication thereof and mattresses and cushions upholstery material, manufacture of furniture; packing material and insulation material, moulding of rigid Poly- Urethane for various shapes and size and manufacture of jackets and such other items by way of lamination of Poly- Urethane Foam with fabric and manufacture of products that may be allied or may be usefully combined |
|--|---|---|--|--|--|---|

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| | | | | | | | |
|---|--|---|--|--|--|--|--|
| | retail and B2B basis in India. | all other incidental acts and things necessary for the attainment of the above objects. | | | well as outside India. | | with manufacture of any of the material mentioned above. |
| Capital before the scheme (No. of equity shares as well as capital in rupees) | Equity Shares Authorised Capital Rs. 5,00,000 comprising of 50,000 shares of Rs. 10 each Issued, subscribed and paid-up Rs. 5,00,000 comprising of 50,000 | Equity Shares Authorised Capital Rs. 15,00,000 comprising of 1,50,000 shares of Rs. 10 each Issued, subscribed and paid-up Rs. 1,00,000 comprising of 10,000 shares of Rs. 10 each | Equity Shares Authorised Capital Rs. 20,00,00,000 comprising of 4,00,00,000 shares of Rs. 5 each Issued, subscribed and paid-up Rs. 7,63,33,330 comprising of 1,52,66,666 | Equity Shares Authorised Capital Rs. 5,00,000 comprising of 50,000 shares of Rs. 10 each Issued, subscribed and paid-up Rs. 5,00,000 comprising of 50,000 | Equity Shares Authorised Capital Rs. 50,000 comprising of 5,000 shares of Rs. 10 each Issued, subscribed and paid-up Rs. 50,000 comprising of 5,000 shares of Rs. 10 each | Equity Shares Authorised Capital Rs. 75,30,00,000 comprising of 15,06,00,000 shares of Rs. 5 each Issued, subscribed and paid-up Rs. 18,27,61,305 comprising of 3,65,52,261 | Equity Shares Authorised Capital Rs. 1,30,00,00,000 comprising of 26,00,00,000 shares of Rs. 5 each Issued, subscribed and paid-up Rs. 54,34,86,705 comprising of 10,86,97,341 shares of Rs. 5 each |

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| | shares of Rs. 10 each | | shares of Rs. 5 each | shares of Rs. 10 each | | shares of Rs. 5 each | |
|--|-----------------------|--|----------------------|-----------------------|--|----------------------|---|
| No. of shares to be issued | NA | | | | | | Number of shares issued by SFL are as follows: 5,22,708 |
| Cancellation of shares on account of cross holding, if any . | NA | | | | | | Nil |
| Capital after the scheme (No. of equity shares as well as capital in rupees) | NA | | | | | | <u>Equity Shares</u> Authorised Capital Rs. 2,25,55,50,000 comprising of 45,11,10,000 shares of Rs. 5 each Issued, subscribed and paid-up Rs. 54,61,03,115 comprising of |

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| | | | | | | | |
|--|---|---------------------------|---------------------------|---------------------------|---------------------------|---|---|
| | | | | | | | 10,92,20,049 shares of Rs. 5 each |
| Net Worth | As on October 20, 2023 | As on October 20, 2023 | As on October 20, 2023 | As on October 20, 2023 | As on October 20, 2023 | As on October 20, 2023 | As on 31 December, 2023 (Rs. In Crore 2,673.96 4,06,854.71 |
| Pre | (1.58) | (1.14) | (17.68) | (7.45) | 8.6 | 410.80 | |
| Post | NA | NA | NA | NA | NA | NA | |
| Valuation by independent Chartered Accountant – Name of the valuer/valuer firm and Regn no. | Mr. Arunesh Kumar Dubey, Registered Valuer (Registration No. IBBI/RV/03/2020/12786) | | | | | | |
| Methods of valuation and value per share arrived under each method with weight given to each method, if any. | Refer Annexure 'A' | | | | | | |
| Fair value per shares | 10/- | 10/- | 5/- | 10/- | 10/- | 591.80 | 1137.99 |
| Exchange ratio | NA | | | | | 52 equity shares of SFL of INR 5 each fully paid up for every 100 equity shares of KEL of INR 5 each fully paid up. | |

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| | | | | | | | | | | | | | | |
|---|---------------|--------------|---------------|--------------|-----------------|--------------|---------------|--------------|---------------|--------------|---|--------------|---------------------|--------------|
| Name of Merchant Banker giving fairness opinion | NA | | | | | | | | | | M/s Navigant Corporate Advisors Limited, an Independent SEBI Registered Category-I Merchant Banker (SEBI Registration INM000012243) | | | |
| Shareholding pattern- Pre | BIL | | KCPL | | KRL | | KUPSL | | SVC MPL | | KEL | | SFL | |
| | No. of Shares | % of holding | No. of Shares | % of holding | No. of Shares | % of holding | No. of Shares | % of holding | No. of Shares | % of holding | No. of Shares | % of holding | No. of Shares | % of holding |
| Promoter | 50,000 | 100% | 10,000 | 100% | 1,52,666 | 100% | 50,000 | 100% | 5,000 | 100% | 3,55,45,951 | 97.24% | 7,11,74,174 | 65.48% |
| Public | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 1006310 | 2.76% | 3,75,23,167 | 34.52% |
| Custodian | - | 0% | - | 0% | - | 0% | - | 0% | - | 0% | - | 0% | - | 0% |
| TOTAL | 50,000 | 100% | 10,000 | 100% | 1,52,666 | 100% | 50000 | 100% | 5,000 | 100% | 3,65,52,261 | 100% | 10,86,97,341 | 100% |
| Shareholding pattern- Post | | | | | | | | | | | | | | |
| Promoter | NA | | NA | | NA | | NA | | NA | | NA | | 7,11,74,174 | 65.17% |

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| | | | | | | | | | | | | | |
|--|---|--|---|---|---|----------------------------|---------------------------------|-----|-----|-----|-----|--------------|--------|
| Public | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | 3,80,45,875 | 34.83% |
| Custodian | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| TOTAL | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | 10,92,20,049 | 100% |
| No of shareholders- Pre | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1753 | 39,103 |
| No of shareholders- Post | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | 40,831 |
| Names of the Promoters (with PAN nos.) | Refer Annexure 'B' | | | | | | | | | | | | |
| Names of the Board of Directors (with DIN and PAN nos.) | Refer Annexure 'C' | | | | | | | | | | | | |
| Please specify relation among the companies involved in the scheme, if any | BIL is a wholly owned subsidiary of KEL | KCPL is a wholly owned subsidiary of KEL | KRL is a wholly owned subsidiary of KEL | KUPSL is a wholly owned subsidiary of KEL | SVC MPL is a wholly owned subsidiary of KEL | KEL is a subsidiary of SFL | SFL is a holding company of KEL | | | | | | |
| Details regarding change in management control in listed or resulting company seeking listing if any | NA | | | | | | | | | | | | |

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Annexure A

1) Belvedere International Limited (“BIL” or “Transferor Company 1”)

| Methods of valuation | Value per share arrived under each method | Weight given to each method, if any |
|----------------------|---|-------------------------------------|
| Market Price Method | NA | NA |
| Income Approach | NA | NA |

2) Kanvas Concepts Private Limited (“KCPL” or “Transferor Company 2”)

| Methods of valuation | Value per share arrived under each method | Weight given to each method, if any |
|----------------------|---|-------------------------------------|
| Market Price Method | NA | NA |
| Income Approach | NA | NA |

3) Kurlon Retail Limited (“KRL” or “Transferor Company 3”)

| Methods of valuation | Value per share arrived under each method | Weight given to each method, if any |
|----------------------|---|-------------------------------------|
| Market Price Method | NA | NA |
| Income Approach | NA | NA |

4) Komfort Universe Products And Services Limited (“KUPSL” or “Transferor Company 4”)

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CIN-L74899DL1971PLC005679





| Methods of valuation | Value per share arrived under each method | Weight given to each method, if any |
|----------------------|---|-------------------------------------|
| Market Price Method | NA | NA |
| Income Approach | NA | NA |

5) Starship Value Chain and Manufacturing Private Limited (“SVC MPL” or “Transferor Company 5”)

| Methods of valuation | Value per share arrived under each method | Weight given to each method, if any |
|----------------------|---|-------------------------------------|
| Market Price Method | NA | NA |
| Income Approach | NA | NA |

6) Kurlon Enterprise Limited (“KEL” or “Transferee Company” or “Amalgamating Company”)

| Methods of valuation | Value per share arrived under each method | Weight given to each method, if any |
|----------------------|---|-------------------------------------|
| Market Price Method | NA | NA |
| Income Approach | 591.8 | 100% |

7) Sheela Foam Limited (“SFL” or “Amalgamated Company” or “Company”)

| Methods of valuation | Value per share arrived under each method | Weight given to each method, if any |
|----------------------|---|-------------------------------------|
|----------------------|---|-------------------------------------|

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| | | |
|---------------------|---------|------|
| Market Price Method | 1137.99 | 100% |
| Income Approach | NA | NA |

Annexure B- Names of the Promoters (with PAN nos.)

1. Belvedere International Limited (“BIL” or “Transferor Company 1”)

| Sr.No | Name | PAN |
|-------|---------------------------|------------|
| 1 | Kurlon Enterprise Limited | AAECK5045N |

2. Kanvas Concepts Private Limited (“KCPL” or “Transferor Company 2”)

| Sr.No | Name | PAN |
|-------|---------------------------|------------|
| 1 | Kurlon Enterprise Limited | AAECK5045N |

3. Kurlon Retail Limited (“KRL” or “Transferor Company 3”)

| Sr.No | Name | PAN |
|-------|---------------------------|------------|
| 1 | Kurlon Enterprise Limited | AAECK5045N |

4. Komfort Universe Products And Services Limited (“KUPSL” or “Transferor Company 4”)

| Sr.No | Name | PAN |
|-------|---------------------------|------------|
| 1 | Kurlon Enterprise Limited | AAECK5045N |

5. Starship Value Chain and Manufacturing Private Limited (“SVC MPL” or “Transferor Company 5”)

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| Sr.No | Name | PAN |
|-------|---------------------------|------------|
| 1 | Kurlon Enterprise Limited | AAECK5045N |

6. Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company")

| Sr.No | Name | PAN |
|-------|---------------------|-----------|
| 1 | Sheela Foam Limited | AACS0189B |

7. Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company")

| Sr.No | Name | PAN |
|-------|---------------------------------|-------------|
| 1 | Rahul Gautam | AAHPG2294B |
| 2 | Namita Gautam | AAHPG2295A |
| 3 | Tushaar Gautam | ABAPG95974C |
| 4 | Rangoli Resorts Private Limited | AABCR6061N |

Annexure C- Names of the Board of Directors (with DIN and PAN nos.)

1. Belvedere International Limited ("BIL" or "Transferor Company 1")

| Sr.No | Name | DIN | PAN |
|-------|--------------------------|----------|------------|
| 1 | Amit Kumar Gupta | 01436743 | ADIPG2270M |
| 2 | Abhilash Padmanabh Kamti | 01587117 | AJDPK5402E |
| 3 | Narendra Kudva | 07459916 | AAYPK8279P |

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CIN-L74899DL1971PLC005679





2. Kanvas Concepts Private Limited (“KCPL” or “Transferor Company 2”)

| Sr.No | Name | DIN | PAN |
|-------|--------------------------|----------|------------|
| 1 | Amit Kumar Gupta | 01436743 | ADIPG2270M |
| 2 | Abhilash Padmanabh Kamti | 01587117 | AJDPK5402E |

3. Kurlon Retail Limited (“KRL” or “Transferor Company 3”)

| Sr.No | Name | DIN | PAN |
|-------|--------------------------|----------|------------|
| 1 | Amit Kumar Gupta | 01436743 | ADIPG2270M |
| 2 | Abhilash Padmanabh Kamti | 01587117 | AJDPK5402E |
| 3 | Narendra Kudva | 07459916 | AAYPK8279P |

4. Komfort Universe Products And Services Limited (“KUPSL” or “Transferor Company 4”)

| Sr.No | Name | DIN | PAN |
|-------|--------------------------|----------|------------|
| 1 | Amit Kumar Gupta | 01436743 | ADIPG2270M |
| 2 | Abhilash Padmanabh Kamti | 01587117 | AJDPK5402E |
| 3 | Narendra Kudva | 07459916 | AAYPK8279P |

5. Starship Value Chain and Manufacturing Private Limited (“SVC MPL” or “Transferor Company 5”)

| Sr.No | Name | DIN | PAN |
|-------|-----------------------|----------|------------|
| 1 | Ashish Vilas Pradhan | 08630024 | FKVPP3084D |
| 2 | Jamsheed Minoo Panday | 00232768 | AACPP7417J |

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6. Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company")

| Sr.No | Name | DIN | PAN |
|-------|-----------------------|----------|-------------|
| 1 | Tushaar Gautam | 01646487 | ABAPG95974C |
| 2 | Jyothi Ashish Pradhan | 06733156 | ADCPP5162H |
| 3 | Ravindra Dhariwal | 00003922 | ADPPD1049Q |
| 4 | Meena Jagtiani | 08396893 | AADPJ4958M |
| 5 | Rahul Gautam | 00192999 | AAHPG2294B |

7. Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company")

| Sr.No | Name | DIN | PAN |
|-------|-----------------------|----------|-------------|
| 1 | Rahul Gautam | 00192999 | AAHPG2294B |
| 2 | Namita Gautam | 00190463 | AAHPG2295A |
| 3 | Tushaar Gautam | 01646487 | ABAPG95974C |
| 4 | Rakesh Chahar | 00180587 | ABSPC4724A |
| 5 | Anil Tandon | 00089404 | AACPT8225E |
| 6 | Vijay Kumar Ahluwalia | 08078092 | ACPPA7703F |
| 7 | Meena Jagtiani | 08396893 | AADPJ4958M |
| 8 | Ravindra Dhariwal | 00003922 | ADPPD1049Q |
| 9 | Som Mittal | 00074842 | AAWPM7639PS |

For Sheela Foam Limited

Authorised Signatory

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Brief details of the Promoter and Board of Directors of Belvedere International Limited (“BIL” or “Transferor Company 1”), Kanvas Concepts Private Limited (“KCPL” or “Transferor Company 2”), Kurlon Retail Limited (“KRL” or “Transferor Company 3”), Komfort Universe Products And Services Limited (“KUPSL” or “Transferor Company 4”), Starship Value Chain and Manufacturing Private Limited (“SVC MPL” or “Transferor Company 5”), Kurlon Enterprise Limited (“KEL” or “Transferee Company” or “Amalgamating Company”), and Sheela Foam Limited (“SFL” or “Amalgamated Company” or “Company”)

1. Belvedere International Limited (“BIL” or “Transferor Company 1”)

List of Promoters

| Sr.No | Name | PAN |
|-------|--|------------|
| 1 | Kurlon Enterprise Limited (Along with 6 Nominee) | AAECK5045N |

List of Board of Directors

| Sr.No | Name | DIN | PAN |
|-------|--------------------------|----------|------------|
| 1 | Amit Kumar Gupta | 01436743 | ADIPG2270M |
| 2 | Abhilash Padmanabh Kamti | 01587117 | AJDPK5402E |
| 3 | Narendra Kudva | 07459916 | AAYPK8279P |

2. Kanvas Concepts Private Limited (“KCPL” or “Transferor Company 2”)

List of Promoters

| Sr.No | Name | PAN |
|-------|--|------------|
| 1 | Kurlon Enterprise Limited (Along with 6 Nominee) | AAECK5045N |

List of Board of Directors

| Sr.No | Name | DIN | PAN |
|-------|--------------------------|----------|------------|
| 1 | Amit Kumar Gupta | 01436743 | ADIPG2270M |
| 2 | Abhilash Padmanabh Kamti | 01587117 | AJDPK5402E |

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3. Kurlon Retail Limited (“KRL” or “Transferor Company 3”)

List of Promoters

| Sr.No | Name | PAN |
|-------|--|------------|
| 1 | Kurlon Enterprise Limited (Along with 6 Nominee) | AAECK5045N |

List of Board of Directors

| Sr.No | Name | DIN | PAN |
|-------|--------------------------|----------|------------|
| 1 | Amit Kumar Gupta | 01436743 | AAECK5045N |
| 2 | Abhilash Padmanabh Kamti | 01587117 | AAECK5045N |
| 3 | Narendra Kudva | 07459916 | AAECK5045N |

4. Komfort Universe Products And Services Limited (“KUPSL” or “Transferor Company 4”)

List of Promoters

| Sr.No | Name | PAN |
|-------|--|------------|
| 1 | Kurlon Enterprise Limited (Along with 6 Nominee) | AAECK5045N |

List of Board of Directors

| Sr.No | Name | DIN | PAN |
|-------|--------------------------|----------|------------|
| 1 | Amit Kumar Gupta | 01436743 | AAECK5045N |
| 2 | Abhilash Padmanabh Kamti | 01587117 | AAECK5045N |
| 3 | Narendra Kudva | 07459916 | AAECK5045N |

5. Starship Value Chain and Manufacturing Private Limited (“SVC MPL” or “Transferor Company 5”)

List of Promoters

| Sr.No | Name | PAN |
|-------|--|------------|
| 1 | Kurlon Enterprise Limited (Along with 6 Nominee) | AAECK5045N |

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CIN-L74899DL1971PLC005679





List of Board of Directors

| Sr.No | Name | DIN | PAN |
|-------|-----------------------|----------|------------|
| 1 | Ashish Vilas Pradhan | 08630024 | FKVPP3084D |
| 2 | Jamsheed Minoo Panday | 00232768 | AACPP7417J |

6. Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company")

List of Promoters

| Sr.No | Name | PAN |
|-------|---------------------|-----------|
| 1 | Sheela Foam Limited | AACS0189B |

List of Board of Directors

| Sr.No | Name | DIN | PAN |
|-------|-----------------------|----------|-------------|
| 1 | Tushaar Gautam | 01646487 | ABAPG95974C |
| 2 | Jyothi Ashish Pradhan | 06733156 | ADCPP5162H |
| 3 | Ravindra Dhariwal | 00003922 | ADPPD1049Q |
| 4 | Meena Jagtiani | 08396893 | AADPJ4958M |
| 5 | Rahul Gautam | 00192999 | AAHPG2294B |

7. Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company")

List of Promoters

| Sr.No | Name | PAN |
|-------|---------------------------------|-------------|
| 1 | Rahul Gautam | AAHPG2294B |
| 2 | Namita Gautam | AAHPG2295A |
| 3 | Tushaar Gautam | ABAPG95974C |
| 4 | Rangoli Resorts Private Limited | AABCR6061N |

List of Board of Directors

| Sr.No | Name | DIN | PAN |
|-------|----------------|----------|-------------|
| 1 | Rahul Gautam | 00192999 | AAHPG2294B |
| 2 | Namita Gautam | 00190463 | AAHPG2295A |
| 3 | Tushaar Gautam | 01646487 | ABAPG95974C |
| 4 | Rakesh Chahar | 00180587 | ABSPC4724A |
| 5 | Anil Tandon | 00089404 | AACPT8225E |

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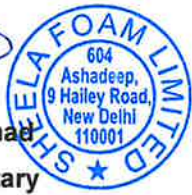
CIN-L74899DL1971PLC005679





| | | | |
|---|-----------------------|----------|------------|
| 6 | Vijay Kumar Ahluwalia | 08078092 | ACPPA7703F |
| 7 | Meena Jagtiani | 08396893 | AADPJ4958M |
| 8 | Ravindra Dhariwal | 00003922 | ADPPD1049Q |
| 9 | Som Mittal | 00074842 | AAWPM7639P |

For Sheela Foam Limited

Md. Iqbal Ahmad
Company Secretary

Date: April 04, 2024

Place: New Delhi

SHEELA FOAM LTD.

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To,
The Board of Directors,
Belvedere International Limited
N-301, 3rd Floor, North Block
Manipal Centre 47 Dickenson Road,
Bangalore, Karnataka,
India, 560042

Subject: Net Worth Certificate- Pre Arrangement in the draft Composite Scheme of Arrangement under section 230-232 of the Companies Act, 2013, relevant rules there under and SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023

I, **K.K. Mehra and Co.** Chartered Accountants have perused, examined and verified all the documents, papers, books of accounts, financial statements, and the draft Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company") and their respective shareholders and creditors (the "Scheme") and based on our examination and verification of the aforesaid documents and according to the information and explanation given to us from the Management of the Company, we do hereby certify that the Pre Net-worth of the Company based on the audited financials as on March 31, 2023, is as under :

Details of Net-Worth – Pre-Arrangement (As on March 31, 2023)

| S. No. | Particulars | Amount (In crores) |
|----------|---|--------------------|
| A | | |
| 1 | Paid up Capital | 0.05 |
| 2 | Free Reserves (excluding Revaluation Reserve) | (1.38) |
| | Total (A) | (1.33) |
| B | | |



K K MEHRA & CO
(Chartered Accountants)



27, BLOCK U. STREET NO. 3,
SUBHASH PARK, UTTAM NAGAR,
DELHI-110059
Mob. 8826772851
e-mail : krishanmehraca2@gmail.com

| | | |
|---|---|---------------|
| 1 | Accumulated Loss | 0 |
| 2 | Balance of Deferred Revenue Expenditure | 0 |
| 3 | Accumulated Unprovided Depreciation | 0 |
| 4 | Miscellaneous Expense and preliminary expense | 0 |
| 5 | Other Intangible Assets | 0 |
| | Total (B) | 0 |
| | Net-Worth (C = A - B) | (1.33) |

This certificate is issued at the request of the Company in relation to the draft Composite Scheme of Arrangement under section 230-232 of the Companies Act 2013, relevant rules thereunder and SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and this certificate should not be used for any other purpose or distributed or given to any other person or entity without our prior consent.

For K K Mehra & Co.

Chartered Accountants

FRN: 039012N



Krishan Kumar Mehra

Partner

Membership Number: 563249

UDIN: 24563249BKFBMZ2213

Place: Delhi

Date: 28.03.2024



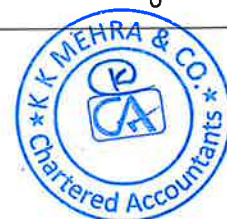
To,
The Board of Directors,
Kanvas Concepts Private Limited
N-301, 3rd Floor, North Block
Manipal Centre 47 Dickenson Road,
Bangalore, Karnataka,
India, 560042

Subject: Net Worth Certificate- Pre Arrangement in the draft Composite Scheme of Arrangement under section 230-232 of the Companies Act, 2013, relevant rules there under and SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023

I, **K.K. Mehra and Co.** Chartered Accountants have perused, examined and verified all the documents, papers, books of accounts, financial statements, and the draft Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5") Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company") and their respective shareholders and creditors (the "Scheme") and based on our examination and verification of the aforesaid documents and according to the information and explanation given to us from the Management of the Company, we do hereby certify that the Pre Net worth of the Company based on the audited financials as on March 31, 2023, is as under :

Details of Net-Worth – Pre-Arrangement (As on March 31, 2023)

| S. No. | Particulars | Amount (In crores) |
|----------|---|--------------------|
| A | | |
| 1 | Paid up Capital | 0.01 |
| 2 | Free Reserves (excluding Revaluation Reserve) | (1.14) |
| | Total (A) | (1.13) |
| B | | |
| 1 | Accumulated Loss | 0 |
| 2 | Balance of Deferred Revenue Expenditure | 0 |



K K MEHRA & CO
(Chartered Accountants)



27, BLOCK U. STREET NO. 3,
SUBHASH PARK, UTTAM NAGAR,
DELHI-110059
Mob. 8826772851
e-mail : krishanmehraca2@gmail.com

| | | |
|---|---|---------------|
| 3 | Accumulated Unprovided Depreciation | 0 |
| 4 | Miscellaneous Expense and preliminary expense | 0 |
| 5 | Other Intangible Assets | 0 |
| | Total (B) | 0 |
| | Net-Worth (C = A - B) | (1.13) |

This certificate is issued at the request of the Company in relation to the draft Composite Scheme of Arrangement under section 230-232 of the Companies Act 2013, relevant rules thereunder and SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and this certificate should not be used for any other purpose or distributed or given to any other person or entity without our prior consent.

For **K K Mehra & Co.**
Chartered Accountants
FRN: 039012N



Krishan Kumar Mehra
Partner

Membership Number: 563249
UDIN: 24563249BKFBNA8742
Place: Delhi
Date: 28.03.2024



To,
The Board of Directors,
Kurlon Retail Limited
N-301, 3rd Floor, North Block
Manipal Centre 47 Dickenson Road,
Bangalore, Karnataka,
India, 560042

Subject: Net Worth Certificate- Pre Arrangement in the draft Composite Scheme of Arrangement under section 230-232 of the Companies Act, 2013, relevant rules there under and SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023

I, K.K. Mehra and Co. Chartered Accountants have perused, examined and verified all the documents, papers, books of accounts, financial statements, and the draft Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company") and their respective shareholders and creditors (the "Scheme") and based on our examination and verification of the aforesaid documents and according to the information and explanation given to us from the Management of the Company, we do hereby certify that the Pre Net-worth of the Company based on the audited financials as on March 31, 2023, is as under :

Details of Net-Worth – Pre-Arrangement (As on March 31, 2023)

| S. No. | Particulars | Amount (In crores) |
|----------|---|--------------------|
| A | | |
| 1 | Paid up Capital | 7.63 |
| 2 | Free Reserves (excluding Revaluation Reserve) | (36.55) |
| 3 | Securities Premium | 9.97 |
| | Total (A) | (18.95) |
| B | | |



K K MEHRA & CO
(Chartered Accountants)



27, BLOCK U. STREET NO. 3,
SUBHASH PARK, UTTAM NAGAR,
DELHI-110059
Mob. 8826772851
e-mail : krishanmehraca2@gmail.com

| | | |
|---|---|----------------|
| 1 | Accumulated Loss | 0 |
| 2 | Balance of Deferred Revenue Expenditure | 0 |
| 3 | Accumulated Unprovided Depreciation | 0 |
| 4 | Miscellaneous Expense and preliminary expense | 0 |
| 5 | Other Intangible Assets | 0.03 |
| | Total (B) | 0.03 |
| | Net-Worth (C = A - B) | (18.98) |

This certificate is issued at the request of the Company in relation to the draft Composite Scheme of Arrangement under section 230-232 of the Companies Act 2013, relevant rules thereunder and SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and this certificate should not be used for any other purpose or distributed or given to any other person or entity without our prior consent.

For K K Mehra & Co.

Chartered Accountants

FRN: 039012N



Krishan Kumar Mehra

Partner

Membership Number: 563249

UDIN: 24563249BKFBNB5211

Place: Delhi

Date: 28.03.2024



To,
The Board of Directors,
Komfort Universe Products And Services Limited
N-301, 3rd Floor, North Block
Manipal Centre 47 Dickenson Road,
Bangalore, Karnataka,
India, 560042

Subject: Net Worth Certificate- Pre Arrangement in the draft Composite Scheme of Arrangement under section 230-232 of the Companies Act, 2013, relevant rules there under and SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023

I, **K.K. Mehra and Co.**, Chartered Accountants have perused, examined and verified all the documents, papers, books of accounts, financial statements, and the draft Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("**SVCMPL**" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company") and their respective shareholders and creditors (the "Scheme") and based on our examination and verification of the aforesaid documents and according to the information and explanation given to us from the Management of the Company, we do hereby certify that the Pre Net-worth of the Company based on the audited financials as on March 31, 2023, is as under :

Details of Net-Worth – Pre-Arrangement (As on March 31, 2023)

| S. No. | Particulars | Amount (In crores) |
|----------|---|--------------------|
| A | | |
| 1 | Paid up Capital | 0.05 |
| 2 | Free Reserves (excluding Revaluation Reserve) | (3.86) |
| | Total (A) | (3.81) |
| B | | |
| 1 | Accumulated Loss | 0 |
| 2 | Balance of Deferred Revenue Expenditure | 0 |



K K MEHRA & CO
(Chartered Accountants)



27, BLOCK U. STREET NO. 3,
SUBHASH PARK, UTTAM NAGAR,
DELHI-110059
Mob. 8826772851
e-mail : krishanmehraca2@gmail.com

| | | |
|---|---|---------------|
| 3 | Accumulated Unprovided Depreciation | 0 |
| 4 | Miscellaneous Expense and preliminary expense | 0 |
| 5 | Other Intangible Assets | 0 |
| | Total (B) | 0 |
| | Net-Worth (C = A - B) | (3.81) |

This certificate is issued at the request of the Company in relation to the draft Composite Scheme of Arrangement under section 230-232 of the Companies Act 2013, relevant rules thereunder and SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and this certificate should not be used for any other purpose or distributed or given to any other person or entity without our prior consent.

For **K K Mehra & Co.**
Chartered Accountants
FRN: 039012N



Krishan Kumar Mehra
Partner

Membership Number: 563249
UDIN: 24563249BKFBNC1625
Place: Delhi
Date: 28.03.2024



To,
The Board of Directors,
Kurlon Enterprise Limited
1002/1006, The Avenue,
International A Opp., Hotel Leela,
Andheri (East), Mumbai
Maharashtra, India, 400059

Subject: Net Worth Certificate- Pre Arrangement in the draft Composite Scheme of Arrangement under section 230-232 of the Companies Act, 2013, relevant rules there under and SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023

I, K.K. Mehra and Co., Chartered Accountants have perused, examined and verified all the documents, papers, books of accounts, financial statements, and the draft Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVCMLP" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company") and their respective shareholders and creditors (the "Scheme") and based on our examination and verification of the aforesaid documents and according to the information and explanation given to us from the Management of the Company, we do hereby certify that the Pre Net-worth of the Company based on the audited financials as on March 31, 2023, is as under :

Details of Net-Worth – Pre-Arrangement (As on March 31, 2023)

| S. No. | Particulars | Amount (In crores) |
|----------|---|--------------------|
| A | | |
| 1 | Paid up Capital | 18.28 |
| 2 | Free Reserves (excluding Revaluation Reserve) | 311.22 |
| 3 | Securities Premium | 148.60 |
| | Total (A) | 478.10 |
| B | | |
| 1 | Accumulated Loss | 0 |



K K MEHRA & CO
(Chartered Accountants)



27, BLOCK U, STREET NO. 3,
SUBHASH PARK, UTTAM NAGAR,
DELHI-110059
Mob. 8826772851
e-mail : krishanmehraca2@gmail.com

| | | |
|---|---|---------------|
| 2 | Balance of Deferred Revenue Expenditure | 0 |
| 3 | Accumulated Unprovided Depreciation | 0 |
| 4 | Miscellaneous Expense and preliminary expense | 0 |
| 5 | Other Intangible Assets | 1.30 |
| | Total (B) | 1.30 |
| | Net-Worth (C = A - B) | 476.80 |

This certificate is issued at the request of the Company in relation to the draft Composite Scheme of Arrangement under section 230-232 of the Companies Act 2013, relevant rules thereunder and SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and this certificate should not be used for any other purpose or distributed or given to any other person or entity without our prior consent.

For **K K Mehra & Co.**
Chartered Accountants
FRN: 039012N



Krishan Kumar Mehra

Partner

Membership Number: 563249

UDIN: 24563249BKFBND4412

Place: Delhi

Date: 28.03.2024



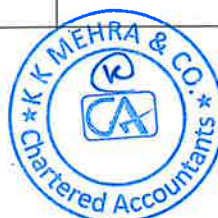
To,
The Board of Directors,
Starship Value Chain and Manufacturing Private Limited
N-301, 3rd Floor, North Block
Manipal Centre 47 Dickenson Road,
Bangalore, Karnataka,
India, 560042

Subject: Net Worth Certificate- Pre Arrangement in the draft Composite Scheme of Arrangement under section 230-232 of the Companies Act, 2013, relevant rules there under and SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023

I, **K.K. Mehra and Co.**, Chartered Accountants have perused, examined and verified all the documents, papers, books of accounts, financial statements, and the draft Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("**SVCMPL**" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company") and their respective shareholders and creditors (the "Scheme") and based on our examination and verification of the aforesaid documents and according to the information and explanation given to us from the Management of the Company, we do hereby certify that the Pre Net-worth of the Company based on the audited financials as on March 31, 2023, is as under :

Details of Net-Worth – Pre-Arrangement (As on March 31, 2023)

| S. No. | Particulars | Amount (In crores) |
|----------|---|--------------------|
| A | | |
| 1 | Paid up Capital | 0.01 |
| 2 | Free Reserves (excluding Revaluation Reserve) | 7.88 |
| 3 | Securities Premium | 0 |
| | Total (A) | 7.89 |
| B | | |
| 1 | Accumulated Loss | 0 |



K K MEHRA & CO
(Chartered Accountants)



27, BLOCK U. STREET NO. 3,
SUBHASH PARK, UTTAM NAGAR,
DELHI-110059
Mob. 8826772851
e-mail : krishanmehraca2@gmail.com

| | | |
|---|---|-------------|
| 2 | Balance of Deferred Revenue Expenditure | 0 |
| 3 | Accumulated Unprovided Depreciation | 0 |
| 4 | Miscellaneous Expense and preliminary expense | 0 |
| 5 | Other Intangible Assets | 0 |
| | Total (B) | 0 |
| | Net-Worth (C = A - B) | 7.89 |

This certificate is issued at the request of the Company in relation to the draft Composite Scheme of Arrangement under section 230-232 of the Companies Act 2013, relevant rules thereunder and SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and this certificate should not be used for any other purpose or distributed or given to any other person or entity without our prior consent.

For K K Mehra & Co.
Chartered Accountants
FRN: 039012N



Krishan Kumar Mehra

Partner

Membership Number: 563240

UDIN: 24563249BKFBNE5284

Place: Delhi

Date: 28.03.2024



To,
The Board of Directors,
Sheela Foam Limited
604 Ashadeep, 9 Hailey Road,
New Delhi, Delhi, India, 110001

Subject: Net Worth Certificate- Pre-Arrangement in the draft Composite Scheme of Arrangement under section 230-232 of the Companies Act, 2013, relevant rules there under and SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023

I, **K.K. Mehra and Co.** Chartered Accountants have perused, examined and verified all the documents, papers, books of accounts, financial statements, and the draft Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company") and their respective shareholders and creditors (the "Scheme") and based on our examination and verification of the aforesaid documents and according to the information and explanation given to us from the Management of the Company, we do hereby certify that the Pre Net-worth of the Company based on the audited financials as on March 31, 2023, is as under :

Details of Net-Worth – Pre-Arrangement (As on March 31, 2023)

| S. No. | Particulars | Amount (In crores) |
|----------|---|--------------------|
| A | | |
| 1 | Paid up Capital | 48.78 |
| 2 | Free Reserves (excluding Revaluation Reserve) | 1,347.02 |
| | Total (A) | 1,395.80 |
| B | | |
| 1 | Accumulated Loss | 0 |
| 2 | Balance of Deferred Revenue Expenditure | 0 |
| 3 | Accumulated Unprovided Depreciation | 0 |
| 4 | Miscellaneous Expense and preliminary expense | 0 |





| | | |
|---|------------------------------|-----------------|
| 5 | Other Intangible Assets | 0 |
| | Total (B) | 0 |
| | Net-Worth (C = A - B) | 1,395.80 |

Details of Net-Worth – Post-Arrangement (As on March 31, 2023)

| S. No. | Particulars | Amount (In crores) |
|----------|---|--------------------|
| A | | |
| 1 | Paid up Capital | 48.78 |
| 2 | Free Reserves (excluding Revaluation Reserve) | 1671.16 |
| 3 | Securities Premium | 148.60 |
| | Total (A) | 1868.54 |
| B | | |
| 1 | Accumulated Loss | 0 |
| 2 | Balance of Deferred Revenue Expenditure | 0 |
| 3 | Accumulated Unprovided Depreciation | 0 |
| 4 | Miscellaneous Expense and preliminary expense | 0 |
| 5 | Other Intangible Assets | 1.32 |
| | Total (B) | 1.32 |
| | Net-Worth (C = A - B) | 1867.22 |

This certificate is issued at the request of the Company in relation to the draft Composite Scheme of Arrangement under section 230-232 of the Companies Act 2013, relevant rules thereunder and SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and this certificate should not be used for any other purpose or distributed or given to any other person or entity without our prior consent.

For K K Mehra & Co.
Chartered Accountants
FRN: 039012N

Krishan Kumar Mehra
Partner

Membership Number: 563249
UDIN: 24563249BKFBNF8128
Place: Delhi
Date: 28.03.2024





Details of Capital evolution of Starship Value Chain and Manufacturing Private Limited
("SVC MPL" or "Transferor Company 5"):

| Date of Issue | No. of shares issued | Issue Price (Rs.) | Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.) | Cumulative capital (No of shares) | Whether listed, if not listed, give reasons thereof |
|---------------|----------------------|-------------------|--|-----------------------------------|---|
| 09/10/2020 | 5,000 | 10/- | Subscription to MOA | 5,000 | No |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Yours faithfully
For Starship Value Chain and Manufacturing Private Limited



Ashish Vilas Pradhan
Director
DIN: 08630024

Date: April 04, 2024
Place: New Delhi

STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED

Regd. & Corporate Office: N-301, North Block, Manipal Centre, 47 Dickenson Road, Bangalore -560 042, Karnataka, India.
Email: info@starshipglobal.com | URL: starshipglobal.com | CIN: U36900KA2020PTC139535

KURLON RETAIL LIMITED

Registered Office : N-301, 3rd Floor, North Block, Manipal Centre, 47, Dickenson Road, Bengaluru - 560 042, Karnataka, India. Phone: 080 40313150 CIN No - U36104KA2012PLC065664 URL : www.kurlon.com

Details of Capital evolution of Kurlon Retail Limited ("KRL" or "Transferor Company 3"):

| Date of Issue | No. of shares issued | Issue Price (Rs.) | Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.) | Cumulative capital (No of shares) | Whether listed, if not listed, give reasons thereof |
|---------------|----------------------|-------------------|--|-----------------------------------|---|
| 31/08/2012 | 10,000 | 10/- | Subscription to MOA | 10,000 | No |
| 21/04/2018 | 40,000 | 10/- | Rights Issue | 50,000 | No |
| 27/08/2018 | 75,50,000 | 10/- | Rights Issue | 76,00,000 | No |
| 31/08/2018 | - | 5/- | Sub-division of shares | 1,52,00,000 | No |
| 31/03/2020 | 66,666 | 5/- | Rights Issue | 1,52,66,666 | No |

Yours faithfully
For Kurlon Retail Limited


Amit Kumar Gupta
Director
DIN: 01436743



Date: April 04, 2024
Place: New Delhi



BELVEDORE INTERNATIONAL LIMITED



Details of Capital evolution of Belvedere International Limited ("BIL" or "Transferor Company 1"):

| Date of Issue | No. of shares issued | Issue Price (Rs.) | Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.) | Cumulative capital (No of shares) | Whether listed, if not listed, give reasons thereof |
|---------------|----------------------|-------------------|--|-----------------------------------|---|
| 21/12/2020 | 50,000 | 10 | Subscription to MOA | 50,000 | No |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Yours faithfully
For Belvedere International Limited



Amit Kumar Gupta
Director
DIN: 01436743

Date: April 04, 2024
Place: New Delhi



Details of Capital evolution of Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"):

| Date of Issue | No. of shares issued | Issue Price (Rs.) | Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.) | Cumulative capital (No of shares) | Whether listed, if not listed, give reasons thereof |
|---------------|----------------------|-------------------|--|-----------------------------------|---|
| 18/01/2021 | 50,000 | 10/- | Subscription to MOA | 50,000 | No |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Yours faithfully
For Komfort Universe Products And Services Limited




Amit Kumar Gupta
Director
DIN: 01436743

Date: April 04, 2024
Place: New Delhi

Details of Capital evolution of Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"):

| Date of Issue | No. of shares issued | Issue Price (Rs.) | Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.) | Cumulative capital (No of shares) | Whether listed, if not listed, give reasons thereof |
|---------------|----------------------|-------------------|--|-----------------------------------|---|
| 22/09/2020 | 10,000 | 10/- | Subscription to MOA | 10,000 | No |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Yours faithfully
For Kanvas Concepts Private Limited



Amit Kumar Gupta
Director
DIN: 01436743



Date: April 04, 2024
Place: New Delhi

Kanvas Concepts Private Limited | CIN : U74999KA2020PTC138867

N-301, 3rd Floor, North Block, Manipal Centre, Dickenson Road, Bangalore, Bangalore, Karnataka, India 560042.
E-mail : kcpl@de-canvas.com | Website : www.de-canvas.com

Details of Capital evolution of Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company"):

| Date of Issue | No. of shares issued | Issue Price (Rs.) | Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.) | Cumulative capital (No of shares) | Whether listed, if not listed, give reasons thereof |
|---------------|----------------------|-------------------|--|-----------------------------------|---|
| 03/10/2011 | 50,000 | 10/- | Subscription to MOA | 50,000 | No |
| 23/11/2011 | 48,50,000 | 10/- | Allotment | 49,00,000 | No |
| 03/11/2014 | 45,00,000 | 10/- | Allotment | 94,00,000 | No |
| 30/09/2015 | 14,30,435 | 10/- | Allotment | 1,08,30,435 | No |
| 05/11/2015 | 4,08,695 | 10/- | Allotment | 1,12,39,130 | No |
| 23/02/2017 | - | 5/- | Sub-division of shares to Rs.5/- each | 2,24,78,260 | No |
| 04/12/2017 | 53,09,120 | 5/- | Bonus Issue | 2,77,87,380 | No |
| 08/10/2018 | 85,95,013 | 5/- | Bonus Issue | 3,63,82,393 | No |
| 03/08/2020 | 1,69,868 | 5/- | Allotment | 3,65,52,261 | No |

For Kurlon Enterprise Limited



Manu Kumar
Company Secretary

Kurl-on Enterprise Ltd

Regd: No. 1002/1006, The Avenue, International Airport, Opp. Hotel Leela, Andheri (East), Mumbai - 400059. ☎ 022-28265686/88/89 (CIN: U36101MH2011PLC222657)

Corporate Office: Jai Bharat Industrial Area, Jalahalli, Camp Road, Muniswara Nagar, Yeswanthpur, Bangalore - 560 022. ☎ +91 8150000103 | www.kurlon.com



Details of Capital evolution of Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company"):

| Date of Issue | No. of shares issued | Issue Price (Rs.) | Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.) | Cumulative capital (No of shares) | Whether listed, if not listed, give reasons thereof |
|---|----------------------|-------------------|---|-----------------------------------|---|
| June 18, 1971 | 2 | 100 | Initial subscription to memorandum of association | 2 | Listed |
| November 14, 1971 | 3002 | 100 | Further Issue | 3,004 | Listed |
| February 1, 1974 | 956 | 100 | Further Issue | 3,960 | Listed |
| September 19, 1985 | 5040 | 100 | Further Issue | 9,000 | Listed |
| July 1, 1992 | 6000 | 100 | Further Issue | 15,000 | Listed |
| March 23, 1994 | 15000 | NA | Bonus Issue 1:1 | 30,000 | Listed |
| March 25, 1996 | 30000 | NA | Bonus Issue 1:1 | 60,000 | Listed |
| March 25, 1997 | 140000 | 100 | Preferential Allotment | 2,00,000 | Listed |
| Pursuant to a resolution of our shareholders dated February 24, 2004, each equity share of our Company of face value ₹ 100 was split into 10 equity shares of our Company of face value of ₹ 10 each, and accordingly, 200,000 equity shares of our Company of ₹ 100 each were split into 2,000,000 equity shares of our Company of ₹ 10 each | | | | | |
| March 22, 2004 | 22,000,000 | NA | Bonus issue in the ratio 11:1 | 24,000,000 | Listed |
| March 30, 2006 | 95,200 | 300 | Preferential Allotment | 24,095,200 | Listed |
| November 30, 2011 | (7,567,960) | - | Cancellation pursuant to amalgamation of Serta India Private Limited with our Company | 16,527,240 | Listed |
| March 22, 2012 | 2,100 | - | Allotment pursuant to amalgamation of Serta India Private Limited with our Company | 16,529,340 | Listed |
| April 1, 2013 | (331,700) | - | Cancellation pursuant to amalgamation of SNB Bedding International | 16,197,640 | Listed |

SHEELA FOAM LTD.

#14, Sleepwell Tower, Sector 135, Noida- 201301

Ph: Int-91(0)-120-4868400 • Fax: Int-91-(0)-120-4162282, 4162283 • Email: contactus@sheelafoam.com

Regd. Office: 604 Ashadeep, 9 Hailey Road, New Delhi-110001, India • Ph: Int-91(0)-11-23316875-76

Toll Free: 1800 103 6664 • www.sleepwellproducts.com • www.sheelafoam.com

CIN-L74899DL1971PLC005679



| | | | | | |
|--|------------|-------|--|-------------|--------|
| | | | Private Limited, Starlite India Private Limited, RG Pillow (India) Private Limited, Kanpav Overseas Private Limited and Auora Foams Private Limited with our Company | | |
| August 19, 2013 | 63,296 | - | Allotment pursuant to amalgamation of SNB Bedding International Private Limited, Starlite India Private Limited, RG Pillow (India) Private Limited, Kanpav Overseas Private Limited and Auora Foams Private Limited with our Company | 16,260,936 | Listed |
| Pursuant to a resolution of our shareholders dated May 31, 2016, each equity share of our Company of face value ₹ 10 was split into two Equity Shares of our Company of face value of ₹ 5 each, and accordingly, 16,260,936 equity shares of our Company of ₹ 10 each were split into 32,521,872 Equity Shares of our Company of ₹ 5 each. | | | | | |
| June 7, 2016 | 16,260,936 | NA | Bonus issue in the ratio 1:2 | 48,782,808 | Listed |
| December 23, 2022 | 48,782,808 | NA | Bonus issue in the ratio 1:1 | 97,565,616 | Listed |
| September 26, 2023 | 11,131,725 | 1,078 | QIB | 108,697,341 | Listed |

Yours faithfully

For Sheela Foam Limited




Md. Iqbal Ahmad
Company Secretary

Date: April 04, 2024

Place: New Delhi

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| | |
|--|--|
| To The General Manager Department of Corporate Services BSE Limited P.J. Towers, Dalal Street Mumbai - 400001 | To, Manager - Listing Compliance National Stock Exchange of India Limited 'Exchange Plaza'. C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 |
|--|--|

Dear Sir,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the draft Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company"), and Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company") and their respective shareholders and creditors ("Scheme")

In connection with the above application, we hereby confirm that:

- a) The draft Composite Scheme of Arrangement to be presented to any Court or Tribunal does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, securities contract (Regulations) Rules, 1957, RBI Act, The Depositories Act, 1996, Companies Act, 2013, the rules, regulations and guidelines made under these Acts, the provisions as explained in Regulation 11 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and the requirements of SEBI circulars and BSE Limited.
- b) In the explanatory statement to be forwarded by the company to the shareholders u/s 230 to 232 of the Companies Act 2013, it shall disclose:
 - i) the pre and post-arrangement or amalgamation (expected) capital structure and shareholding pattern

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- ii) the "fairness opinion" obtained from an Independent merchant banker on valuation of assets / shares done by the valuer for the company and unlisted company.
 - iii) Information about unlisted companies involved in the scheme as per the format provided for abridged prospectus of the SEBI ICDR Regulations, if applicable:
 - iv) The Complaint report as per Annexure III.
 - v) The observation letter issued by the stock exchanges.
- c) The draft Scheme together with all documents mentioned in Part – I(A)(8)(a) of SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 has been disseminated on Company's website as per Website link: <https://www.sheelafoam.com/>.
- d) As per para 27.8 of the Scheme the fractional entitlements, if any, shall be aggregated and held by the trust, nominated by the Board in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the draft scheme submitted to SEBI.
- e) The Company shall submit to the designated stock exchange a report from its Audit Committee and the Independent Directors certifying that the listed entity has compensated the eligible shareholders, within a period of 90 days from the date of allotment as per the draft scheme submitted to SEBI. Both the reports shall be submitted within 7 days of compensating the shareholders.
- f) The Company shall disclose the observation letter of the stock exchange on its website within 24 hours of receiving the same.
- g) The Company shall obtain shareholders' approval by way of special resolution passed through e-voting. Further, the Company shall proceed with the draft Scheme only if the vote cast by the public shareholders in favor of the proposal is more than the number of votes cast by public shareholders against it.
- h) The documents filed by the Company with the Exchange are same/ similar/ identical in all respect, which have been filled by the Company with Registrar of Companies/SEBI/Reserve Bank of India, wherever applicable.
- ~~i) There will be no alteration in the Share Capital of the unlisted Amalgamating Company from the one given in the draft Scheme of arrangement.~~

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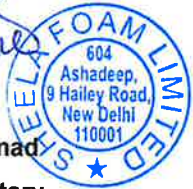




- j) None of the promoters or directors of the companies involved in the Scheme is a fugitive economic offender.

Yours faithfully,

For **Sheela Foam Limited**

Md. Iqbal Ahmad

Company Secretary

Date: April 04, 2024

Place: New Delhi

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*Upholding a rich legacy
of delivering premium comfort*



Sheela Foam Limited

ANNUAL REPORT 2022-23

Legacy is never shaped in a day.

It took us decades to build a strong business foundation, supported by high-tech manufacturing capabilities, meticulous innovation and implementation of best-of-breed technologies. Our objective is to create products that deliver premium comfort to millions of people in India and other parts of the world. In addition, our distribution strength helps our products reach millions of customers and patrons across geographies.

Legacy

Legacy is an action word for us.

It inspires us to ramp up our manufacturing capabilities, roll out new products in line with customer aspirations and build a business model that is agile and resilient to challenges.

India's GDP forecasts and demand projections continue to be encouraging for us. The global economy is also gradually recovering from multiple headwinds. Supply chain network is stabilising, raw material prices are easing and the demand for our products are picking up momentum.

Legacy is empowering.

As a trusted brand with a wide product basket, we are seeing a lot of opportunities to grow our business and brand reputation. We have done significant work in the areas of product mix and design, and will continue to focus on product premiumisation and diversification in the coming years.



Delivering quality comfort for over five decades

We commenced our journey in 1971 as a pioneer in the mattress and foam industry and are currently the market leader and the largest manufacturer of Polyurethane Foam (PU) in India.

We specialize in the production of a diverse range of foam-based household comfort items, including mattresses, furniture cushions, as well as technical grades of polyurethane foams that cater to various industries such as the automotive, acoustics and many more.

Our flagship household brands 'Sleepwell' for mattresses, 'Feather Foam' for pure PU Foam, and 'Lamiflex' for polyester foam laminates have achieved global recognition. We have a strong global manufacturing footprint with manufacturing plants in India, Australia and Spain.

We have 11 manufacturing plants in India, with 123,000 MTPA of total integrated capacity, 5 manufacturing plants in Australia with a capacity of 11,000 MTPA and one manufacturing plant in Spain with a capacity of 22,000 MTPA to cater to European and US markets.

Our Company has a strong presence and market share in Australia through our wholly-owned subsidiary, Joyce Foam Pty Ltd. and also in Spain through our subsidiary, Interplasp S.L.

The expansion of our portfolio across adjacent categories, coupled with the strategic utilisation of digital channels to enhance customer engagement, has played a pivotal role in the growth of market share. Our well-equipped integrated manufacturing facility and extensive distribution network of exclusive distributors, exclusive retail dealers and multi-brand outlets enable us to offer our products to customers worldwide.



Vision and mission

We will continue the legacy of being recognised as a leader in premium comfort products.

We will always reinforce our core values of integrity, reliability, pro-activity and transparency.

Every customer will be served with a smile.

We will remain committed to society.



Group companies



Joyce Foam

It is a prominent manufacturer of flexible polyurethane foam in Australia, holds a significant market share of approximately 40%. As a wholly-owned subsidiary of Sheela Foam, it operates advanced production facilities in key cities such as Adelaide, Canberra, Melbourne, Perth, and Sydney.

Certifications



Joyce foam produces raw materials for branded mattresses and has products catering to the following industries



Furniture



Medical

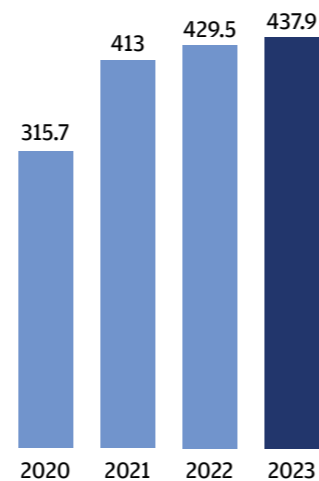


Industrial



Revenue

(₹ in Crore)



11,000 MTPA
Installed foam
manufacturing capacity

~40%
Market share in
Australia



Interplasp S.L.

A subsidiary of Sheela Foam, Interplasp S.L. has an extensive 30-year experience in the industry. Situated in Yecla, Spain, Interplasp leverages its best-in-class manufacturing facility, located in one of Europe's most cost-effective manufacturing locations. This strategic positioning provides a competitive advantage, thereby facilitating the development of a robust regional presence. The Company has also started exporting to the US with 'Bed-in-a-box' mattress strategy.

The Company produces five range of PU foams



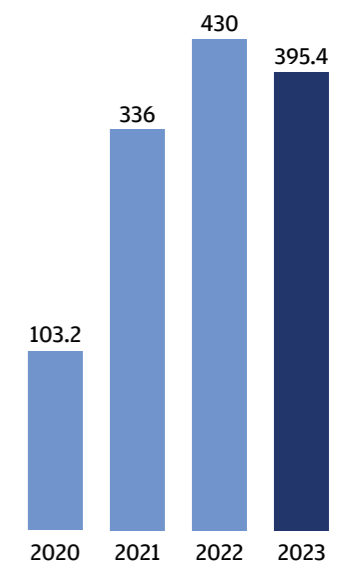
Interplasp is a EUROPUR (European association of flexible polyurethane foam blocks manufacturers)

22,000 MTPA
Installed polyurethane foam
manufacturing capacity

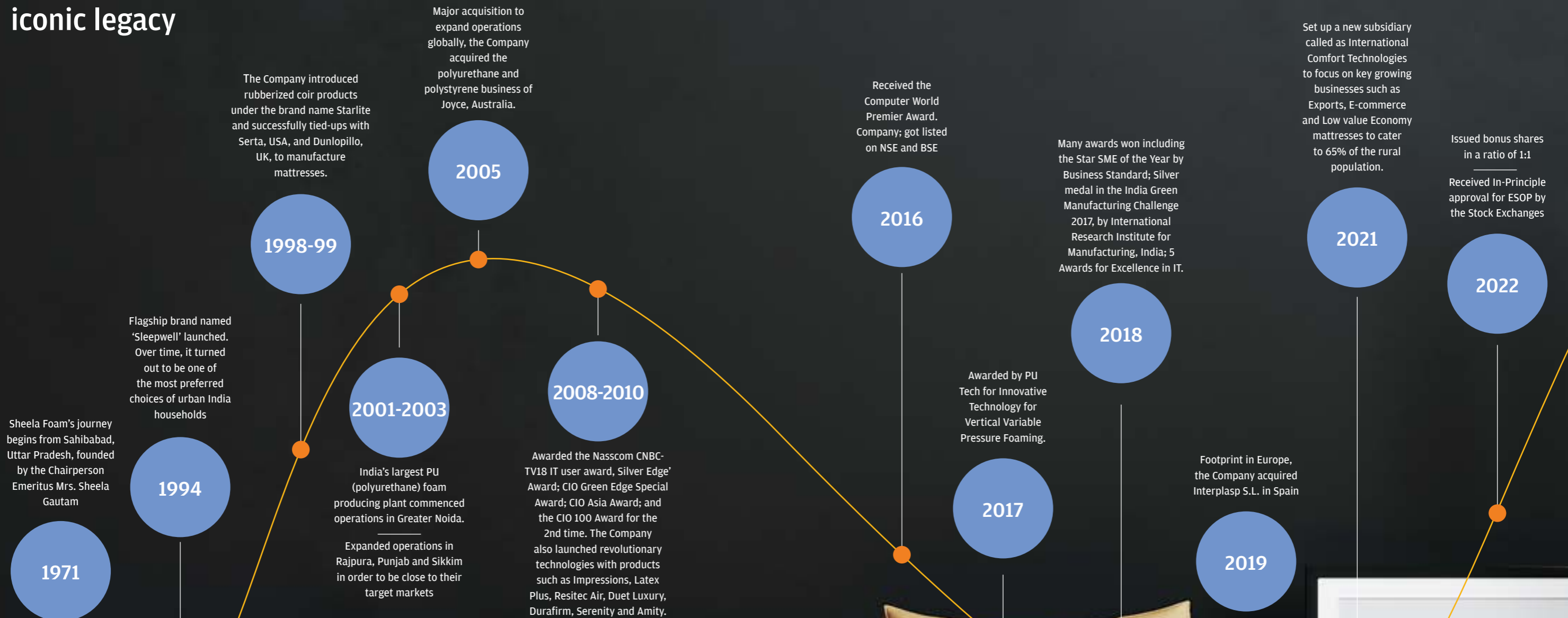


Revenue

(₹ in Crore)



Milestones depict our iconic legacy



An impressive range of products to deliver lasting value

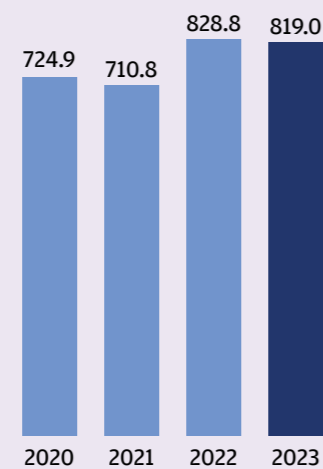
Through our industry-leading products and technologies, we have consistently provided very high levels of comfort and restful sleep to our customers.

Our unwavering commitment to excellence is reflected in the meticulous conceptualization, design and manufacturing of our products, which is underpinned by extensive research and rigorous quality control measures. With a steadfast focus on innovation, we have remained at the forefront of the industry, continuously raising the bar for premium sleep solutions.

Mattress

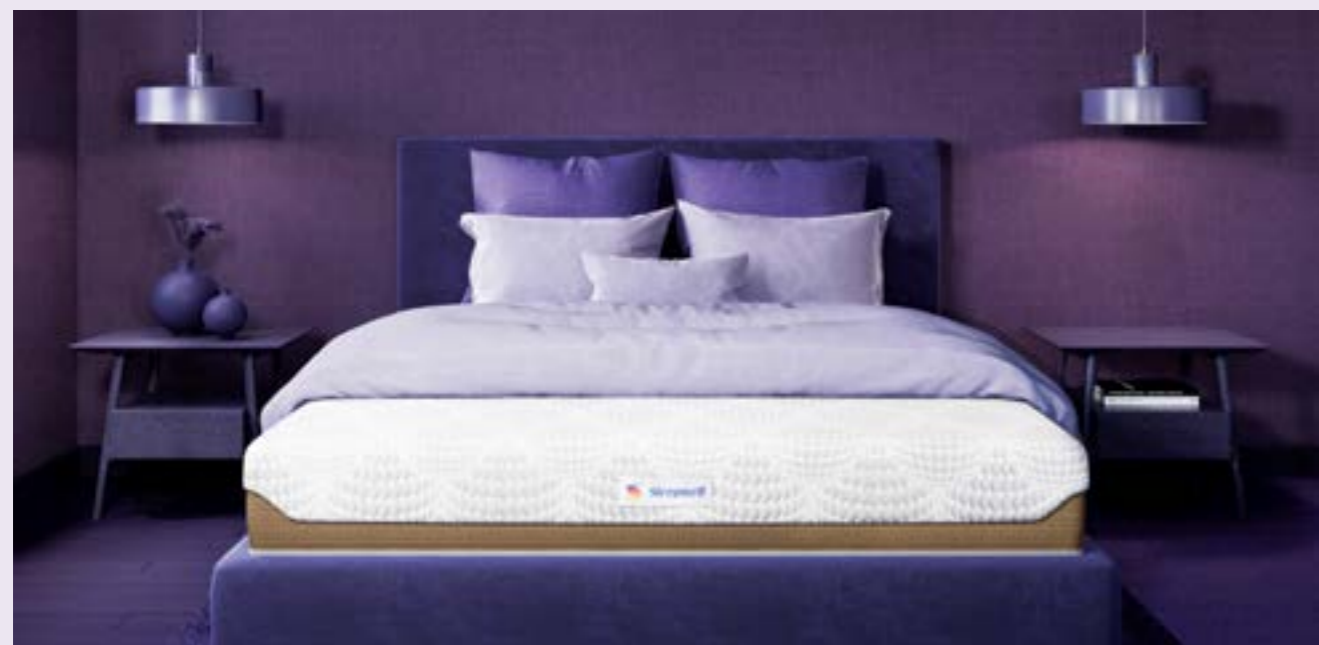
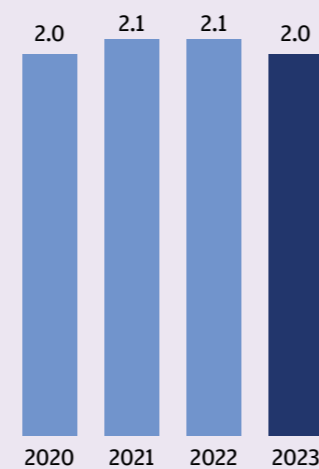
The mattress segment forms the major share of our business, representing 41% of our enterprise. Our renowned household brand, 'Sleepwell,' was founded in 1994 and has since grown to be one of the most sought-after mattress brands in India. We are dedicated to investing in research and development, as well as pursuing innovative solutions, to continuously enhance our product portfolio. We offer premium, mid-market and premium mattresses, which ranges from ₹8000 to over ₹1 lakh.

Revenue*
(₹ in Crore)



*Standalone

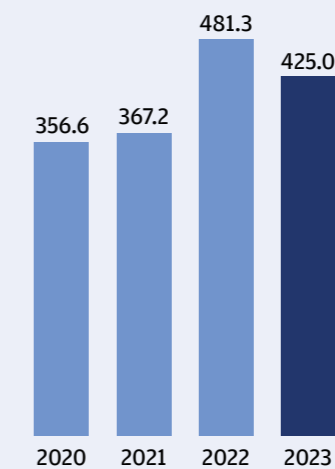
Volume*
(Mn)



Comfort foam and home care products

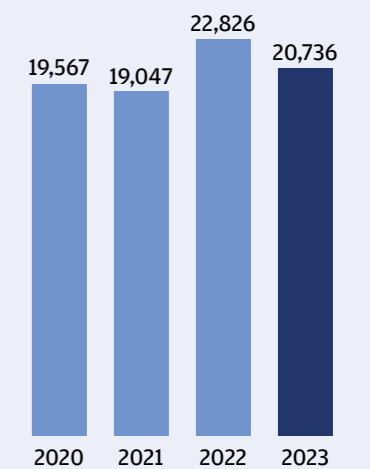
Our industrial-grade Comfort Foam products have demonstrated exceptional versatility, finding numerous applications in the manufacturing of mattresses, sofas, and other similar goods. With a strategic focus on expanding our product offerings, we have forayed into the home accessories segment, introducing a range of premium Comfort Accessories to our portfolio. This selection includes well-crafted pillows, mattress protectors, bolsters and back cushions, designed to enhance comfort and elevate the user experience.

Revenue#
(₹ in Crore)



*Standalone

Volume#
(MT)*



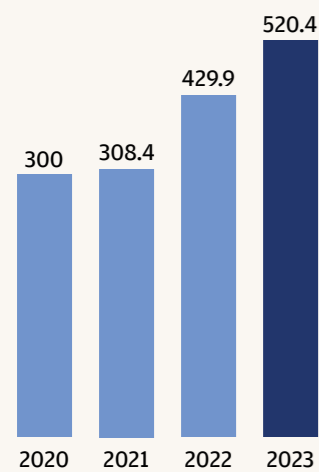
*Volume (MT) only includes Comfort foam



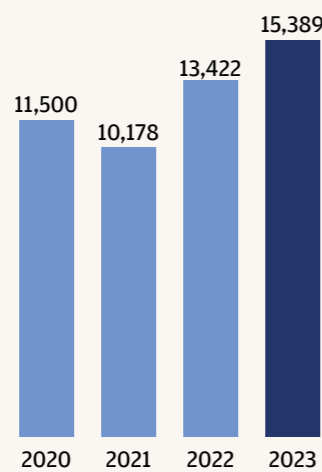
Technical foam

Our range of technical products find varied applications in multiple industries such as home furnishings, automobile seating, apparel and accessories, auditoriums, hospital beds, among others. The implementation of technical foam in these products serves to augment the comfort and convenience of end users.

Revenue*
(₹ in Crore)



Volume*
(MT)



*Standalone

Products

Product lines

End user industries

| | | |
|--------------------------|------------------------------------|--|
| Automotive foam | Polyester foam, poly-ether foam | Seat cover, Sound absorption systems, Sun visors, Headliners, Door trims, Lamination systems |
| Reticulated foam | Ester-based foam, Ether-based foam | Filtration systems, Ceramic foam filters, Outdoor furniture, Microphones and headphones, Safety fuel tanks, Ink cartridges |
| Ultra violet stable foam | | Sportswear, Innerwear and lingerie, Clothing, Swimwear, Comfort accessories for shoes |
| Slientech foam | Ester-based PU foam | Automotive, Diesel generator canopies, Theatres, auditoriums, indoor stadiums, Broadcasting rooms and recording studios, Industrial silencers, Aco |

Furniture foam

As India's leading producer of polyurethane foam, we have broadened our scope to encompass allied sectors with a view to enhancing our product portfolio and generating added value. Among these, our furniture cushioning offerings are of paramount significance, serving as integral components of an array of furnishings such as sofa sets, chairs, custom sofas, sofa-cum-beds, and more.

Our furniture cushioning range includes:

Primo



Incorporates unique composition and extra thickness for enhanced comfort and support

Resitec

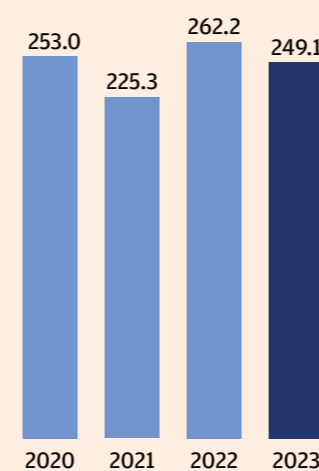


It uses advanced High Resilience (HR) cushioning technology which provides personalised comfort for the ultimate cushioning experience.

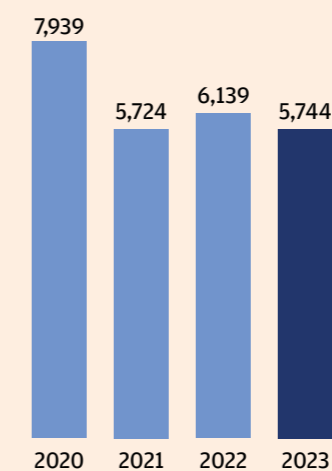
Cool Gel-S

The cool Gel-S particles are a scientific breakthrough in furniture and cushioning that dissipate heat easily and offers cooling.

Revenue*
(₹ in Crore)



Volume*
(MT)



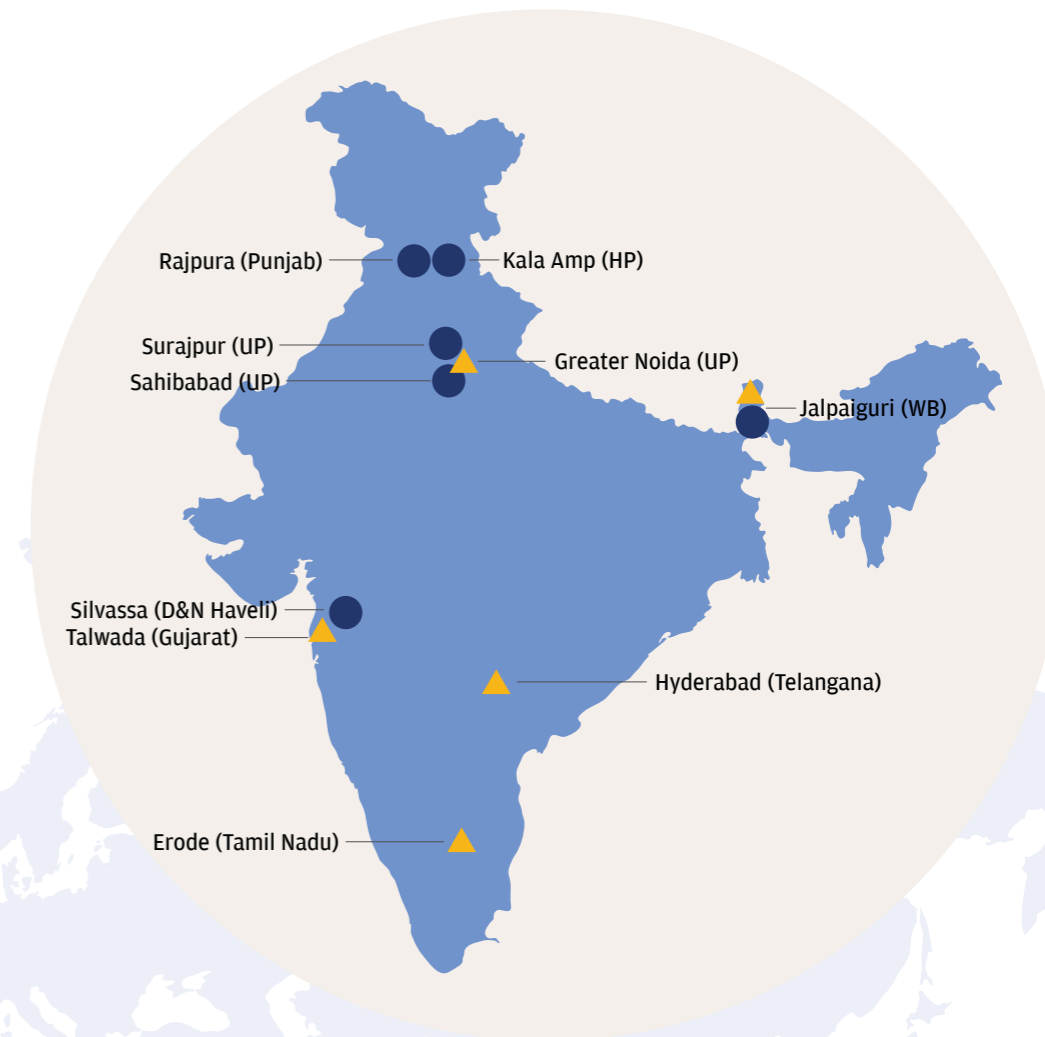
*Standalone



Delivering premium comfort to millions

We are currently operating a total of 11 manufacturing facilities in India. Currently, we are focusing on establishing the 12th plant in Maneri near Jabalpur, which will specialize in foaming and foam processing. We have deliberately dispersed our manufacturing plants in order to effectively cater to strategic geographical touchpoints.

Each plant is strategically situated in proximity to markets and ports, thereby facilitating swift and optimal serviceability to our esteemed clientele, as well as enabling cost-effective import of raw materials and export of technical foam.



▲ PU Foam Manufacturing & Processing
● PU Foam Processing

Chairman's communique



It is refreshing to be part of an organisation that is creative, highly responsive and truly cares about its customers.

Dear Shareholders,

The foam industry in India like any other industry, has undergone an intense transformation in recent years. With rising income levels, greater health consciousness and growth in the real estate & hospitality sectors are a few factors that have led to the expansion of this industry.

At Sheela Foam, we have consistently remained at the vanguard of transformation of this sector. Our journey has been a true reflection of India's PU foam industry's growth. We have witnessed the industry's evolution, from its early days of PU foam production to the embracement of advanced manufacturing technologies and sustainable practices. For more than five decades, we have been carrying on the rich legacy of delivering premium comfort products and remain committed to advancing the PU foam industry's long-term growth and development.

Our flagship brand, **Sleepwell** has earned the trust of customers and delivers on its brand promise of supreme quality and personalised products. We have been able to deliver 'Maa Jaisa Aaram' through our meticulously created Sleepwell products that meet the highest international quality standards.

Macroeconomic trends

The macroeconomic landscape for the global economy remained challenging throughout fiscal year 2022-23. Geopolitical conflicts, Supply Chain disruptions and

soaring commodity prices led to a shortage of raw materials and a surge in freight costs that hit the Mattress Industry. However, we took the multitude of challenges in their stride and continued to invest in our people, processes and technology to emerge stronger than we were before.

Looking back at the year under review

As a leading manufacturer of top-notch foam-based products, we have continued to expand our product line to meet evolving customer needs, which has further helped us differentiate ourselves from the industry peers.

Throughout the course of FY23, we strived hard to enhance the quality of our products by leveraging best-of-breed technology, thereby providing absolute comfort and convenience to our customers. Moving forward, we intend to build on our existing product line, expertise and manufacturing capabilities to produce niche and healthier margin products.

We have recorded rapid growth with our Technical and Home Comfort products over the years. Demand of mattresses were subdued due to inflation. Our presence in the economy segment through the 'Feather Foam' and 'Starlite' brands further helps consolidate our leading market position. During the fiscal year, we expanded our product portfolio with superior designs and strengthened our position as India's largest foam manufacturer. We also made strategic investments in technology and infrastructure to enable us to improve our state-of-the-art manufacturing capabilities and supply chain efficiencies.

Performance overview

During the last financial year, our consolidated revenue stood at ₹ 2873 crore in compared to ₹ 2865 crore of the previous year. Our EBITDA is ₹ 297 crore in FY 2022-23 and ₹ 314 crore in FY 2021-22. PAT for the FY 2022-23 is ₹ 203 crore compared to ₹ 218 crore in FY 2021-22.

Furthermore, our presence in Australia through our subsidiary Joyce Foam Pty Limited, which is the largest foam player in Australia, accounted for 15% of revenue in FY2023. Net revenue from operations in Australia in FY 2022-23 is AUD 80 million as compared to AUD 78 million in FY 2021-22. Net profit stood AUD 1 million in FY 2022-23 compared to AUD 2 million in FY 2021-22. Whereas in Spain, our subsidiary Interplasp S.L. constituted 14% of revenue in FY 2022-23. The revenue from operations in Spain for the year under review stood at Euro 47 million compared to Euro 51 million in FY 2021-22.

Strategic roadmap

We focus on identifying potential markets with high growth potential and establishing a robust distribution network to reach Tier I and Tier II cities. As auto industry has continued to perform well in India, resulting in high volume and revenue growth in our Technical Foam products.

With the rise prevalence of e-commerce platforms, we are investing in digital marketing to cater to a larger audience, drive sales and increase customer engagement. Additionally, we strive to reduce costs by streamlining supply chains, improving operational efficiencies and lowering overhead costs.

Sustainability measures

At Sheela Foam, we have always been committed to integrating sustainability into all that we do and minimising our environmental footprint. We have been consistently implementing precise, well-thought-out measures across our operations, including reducing energy consumption and use the foam waste in **Rebonded Foam** and Mattresses. Being a responsible organisation, we are also employing green technology to manufacture high-quality foam through a Variable Pressure Foaming machine.

Way forward

Being one of the top players in the industry, we further intend to accelerate

our growth trajectory to grow faster. Strengthened by our rich expertise, pan-India distribution and manufacturing network, solid global presence, diverse product portfolio and robust R&D capabilities, we remain optimistic about our future growth prospects. We are particularly excited about the growth potential of our flagship brand, **Sleepwell**, which has become synonymous with high-quality and comfortable mattresses in India. As the demand for better-quality sleep increases, we are well-positioned to leverage our expertise and scale to meet this growing demand.

In the years ahead, we plan on expanding our product offerings in various areas, including furniture, automotive and healthcare, where we anticipate immense growth potential. To stay ahead of the curve in terms of both innovation and design, we are judiciously investing in R&D and New Product Development.

In our relentless pursuit of excellence, we remain committed to delivering premium-quality products, adopting sustainable practices and creating sustainable value for our customers, employees and shareholders. While the business landscape continues to rapidly evolve, we remain agile, resilient and innovative, leveraging technology to stay competitive.

With an ever-guiding Board, a formidable Team and a well-defined strategic direction, we are confident that Sheela Foam will stay on track to achieve its goals and unlock the next phase of growth.

On behalf of everyone at Sheela Foam, I would like to take this opportunity to extend my sincere gratitude to all my colleagues, partners and stakeholders for your consistent trust and cooperation throughout our journey. **It is refreshing to be part of an organisation that is creative, highly responsive and truly cares about its customers.**

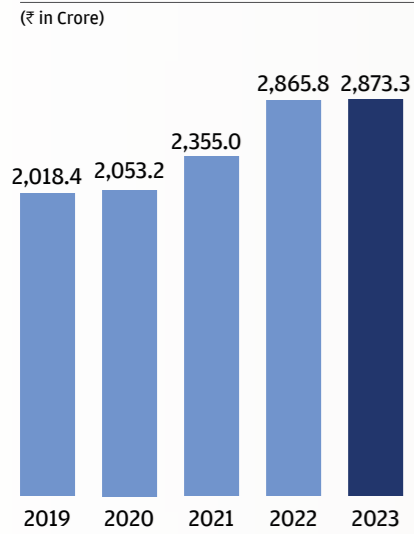
With best regards,

Rahul Gautam

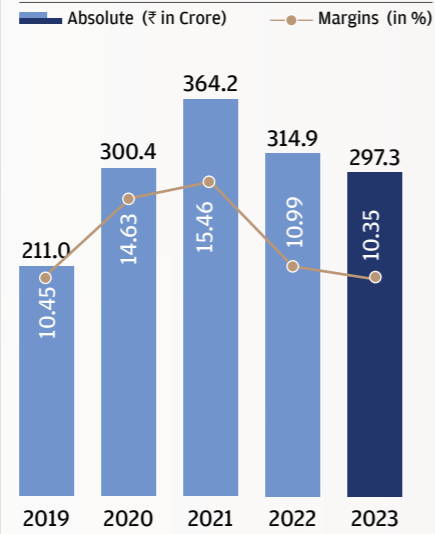
Chairman & Managing Director,
Sheela Foam Limited

Financial highlights (Consolidated)

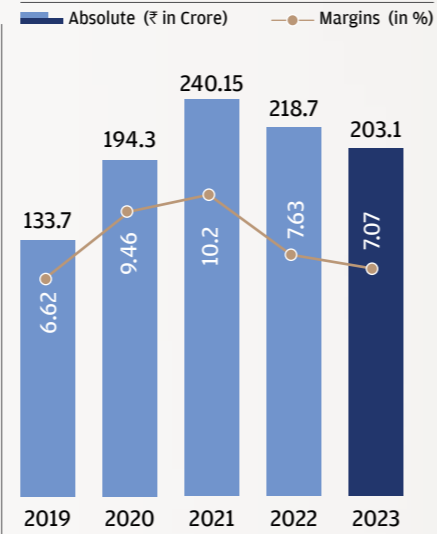
Operational revenue



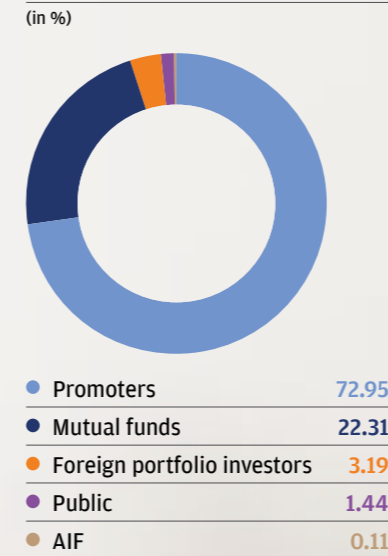
EBITDA



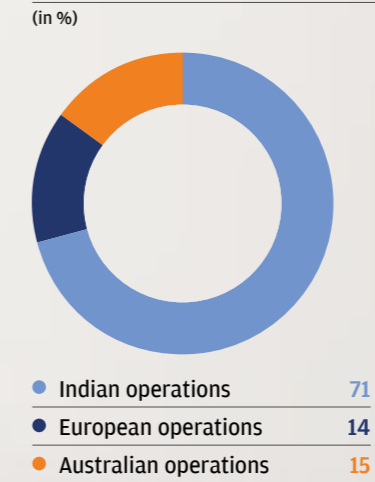
PAT



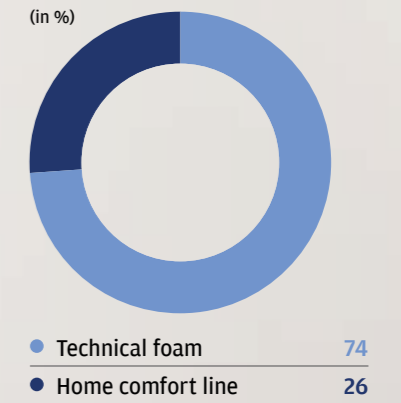
Shareholding pattern



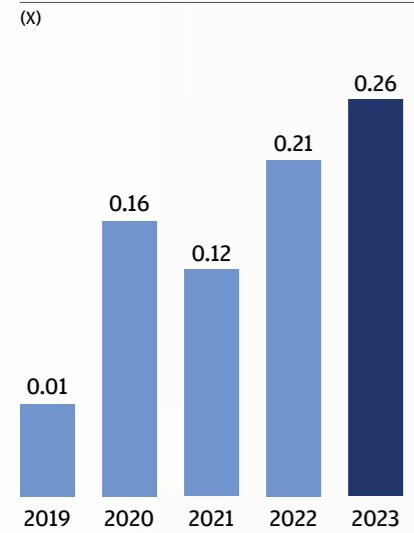
Segment-wise break-up



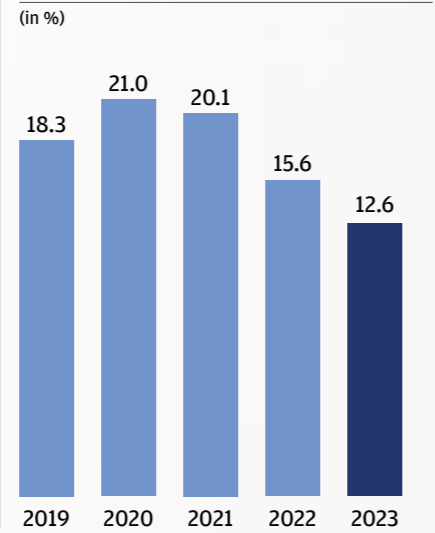
Break-up of Indian operations



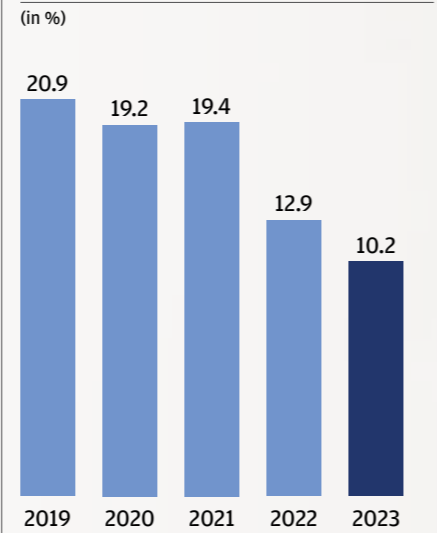
Net Debt to Equity ratio



ROE



ROCE



Powerful tailwinds of growth

Our sustainable growth strategy is driven by powerful socio-economic trends in India and overseas markets. These trends, we believe, will accelerate further as economies generate more employment and disposable income.



Rising share of organised sector

As the global market expands and branded companies become increasingly prevalent, consumers are gravitating towards products that offer higher quality, safety and personalised options. The result: a noticeable increase in organised industry players within the mattress market. This demand shift is reflective of a desire for more reliable and customised products, driving consumers away from traditional, low-quality options.

High margin products

The expansion of product portfolios into new and adjacent categories, alongside increased engagement through digital channels, has played a significant role in driving deeper market penetration and fostering growth. This approach has allowed the industry to broaden its offerings and cater to a wider range of customer needs and preferences. Additionally, the utilisation of digital channels has facilitated greater outreach and interaction with consumers, leading to increased brand recognition and loyalty.

Growing consumption

The mattress market in India addresses a yearly demand of approximately 7 million new units. The average replacement cycle for mattresses in the country stands at approximately 12 years, resulting in a replacement demand of approximately 11.6 million units. These figures offer insight into the size and scope of the Indian mattress industry, highlighting the potential for growth and expansion within the market. The replacement cycle is gradually diminishing, with people seeking more comfortable options.

End-user industries

The government's initiatives such as Smart City and Housing for All, coupled with supportive policies and measures, are poised to significantly boost the real estate industry, leading to an increase in residential units and subsequently driving the growth of the mattress market. This surge in demand for mattresses can be attributed to the higher consumption of these products as a result of growing residential construction.

Work from home culture

The shift in work patterns has resulted in a growing need for designated spaces within the home for conducting office work, regardless of the size of the living space. As a result, there has been a rise in the presence of 'office furniture' in households, presenting a significant opportunity for businesses operating in this segment. This trend has opened up new avenues for growth, as individuals and households increasingly seek out specialised furniture to accommodate their work needs within the confines of their homes.

Our strategic priorities

Manufacturing facilities

We are the pioneers in Vertical Pressure Foaming (VPF), which is the world's most environmentally responsible foam manufacturing and is equipped with the modern foaming machines. This has allowed us to manufacture products at scale and resulted as being the largest integrated manufacturer of PU foam and mattresses in India. Meanwhile, our units in Australia and Spain provides us synergy and help us maintain a global manufacturing network.

1,23,000 MTPA
Indian manufacturing capacity

11,000 MTPA
Australian manufacturing capacity

22,000 MTPA
Spain manufacturing capacity



Capacity expansion

We see a huge opportunity in the economy mattress segment and are building capacity to augment the market share. We set up new export oriented greenfield plants in Madhya Pradesh and Gujarat by leveraging the technology from Australia and Spain.

Expected growth in Mattress production

We are also setting up a new plant in Adelaide with focus on enhancing the market share in Australia. We are also expanding capacity in Spain with a focus on 'Bed in a box' strategy for the US market.

5,000 MTPA
Increase in capacity for Spain operation

350+ Crore
CAPEX for capacity expansion



20,000
Mattresses per day capacity



CAPEX distribution (in %)



| | |
|--------------------|----|
| India operations | 70 |
| Australia (Joyce) | 15 |
| Spain (Interplasp) | 15 |

Our marketing efforts

We are consistently expanding our Below The Line (BTL) marketing efforts for our legacy brands including Sleepwell and Feather Foam. We are also revitalising our e-commerce marketing with the help of content marketing. Some of our content marketing initiatives are as below



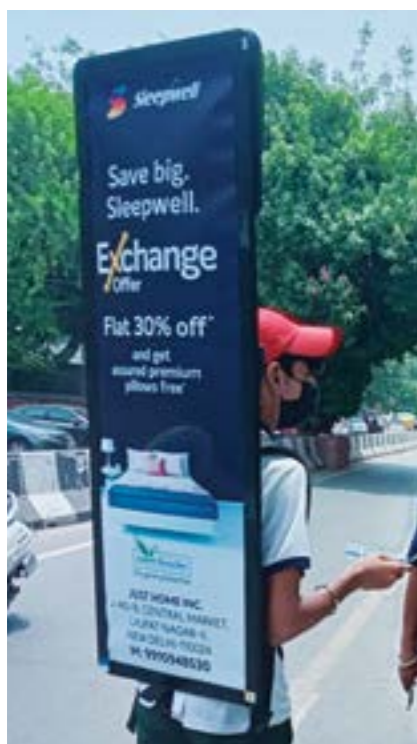
Sleep talk

This initiative aims to provide information and suggestions for a healthy sleep routine.



Your sleep story

This was a community engagement initiative, which allowed participants to share their sleep stories and experience.

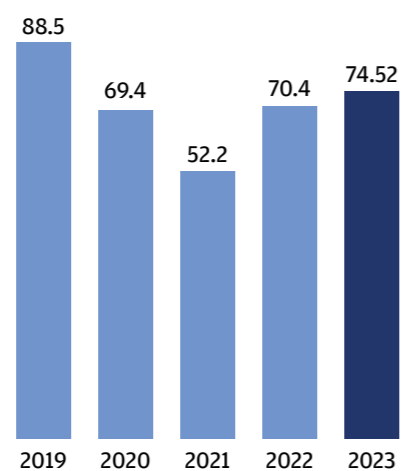


Sleep expert

The initiative helped gain advice and answers to frequently asked question from sleep experts

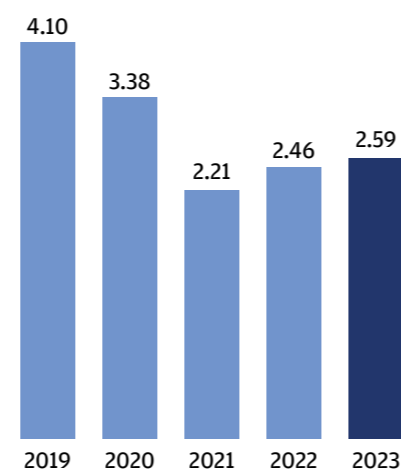
Advertising expense

(₹ in Crore)



Advertising expense as percentage of revenue

(%)



Our expanding distribution network

We have an efficient network of dealers and outlets, which allows our products to reach a wide array of customers. Most of our distributors have been associated with us for more than 20 years. Our exclusive dealers are located in strategic proximity to manufacturing plants, which not only minimises the carriage fees, but also minimise product damage. Our exclusive brand outlets help enhance our brand equity.

Sleepwell World



427
Outlets

Sleepwell galleries



1,067
Outlets

Sleepwell shoppes



1,114
Outlets

Tech-enabled distribution network

Our distribution network is well equipped with our IT platforms, enabling us to track secondary sales made by the distributors in real time. This allows us to reduce the turnaround time and helps us make quick strategic decisions.



115+
Exclusive Distributor

5,600 +
Exclusive brand outlets

7,500+
Multi brand outlets

Caring for the community

Creating value, equity, and positive social change, lies at the heart of our CSR initiatives at Sheela Foam



Our CSR activities have brought Sheela Foam closer to the goal of bringing transformative change in society. Through Awareness about **EMOTIONAL WELLNESS AND SKILL DEVELOPMENT**, we are touching millions of lives in almost every part of India. SFL is committed to further its efforts, particularly through the use of digital technology, to broaden our reach and make an even deeper impact, touching lives of more people across the country.

Our Emotional Wellness initiatives focus on raising awareness about **PROACTIVE Emotional Well-being** and promoting **PREVENTIVE HEALTH CARE**, particularly among underprivileged and marginalized groups of society through workshops and online outreach of content made by us. We aim to reduce vulnerability, prevent mental illness, and break the stigma surrounding mental health.

Through mass outreach and on-ground programs, we cultivate a supportive environment and advocate for the adoption of Emotional Wellness practices.



The workshops conducted by expert counsellors include topics like Perception & Communication, Emotional Wellness, Relationship, Preventing Addiction, Puberty, Gender Sensitization & Stress Management; custom made for the specific age-based target group Primary Schools, Middle Schools, Senior Secondary schools & Vocational Training Institutes. This year 5,957 people directly benefitted through our Emotional Wellness on-ground initiatives.



Our wellness conclaves inspire the influencer and decision-making community to advocate for Proactive Emotional Wellness benefiting all segments of society.

Our initiatives contribute to the United Nation's

SDG 3; promoting good health and well-being for all. Our comprehensive approach has yielded positive outcomes, significantly enhancing overall well-being of individuals and society as a whole



Our **SKILL DEVELOPMENT** initiatives directed at the youth are empowering them with employability skills, thereby enabling sustainable livelihood and

economic well-being. We leverage our CSR resources to help accelerate economic development and reduce disparity.

Set up with a vision to skill the rural youth with job & livelihood centric skills, **SLEEPWELL FOUNDATION SKILL DEVELOPMENT CENTRE IN VILLAGE MIRPUR, KHURJA, U.P.** has, over a span of just six years, become a leading institute of vocational learning in the area.



It has a state-of-the-art infrastructure and a dedicated team of trainers and mentors. It offers vocational courses like fashion designing, paramedical studies, computer skills, selling skills, English language, and armed forces pre-recruitment training, tailored to meet local youth's - both girls' and boys' needs and aspirations.

With regular events, job fairs, and industry expert sessions, the centre provides valuable exposure and experience to the rural youth. In addition, the centre imparts essential life and soft skills to the trainees, significantly enhancing their personalities and boosting

their confidence & employability opportunities in the job market. 500 individuals have directly benefited, securing placements in Govt. and private organizations, while many are pursuing entrepreneurial ventures.

We also conduct the following **ONLINE, OFFLINE, AND HYBRID WORKSHOPS**, upskilling the educated youth to meet evolving demands:

- 'How to Start a Business'
- 'Enhance Your Professional Effectiveness'
- 'Build Your Professional Effectiveness'
- 'Train the Teacher, Enhancing Functional & Soft Skills'



Our flagship programs, which are designed to enhance employability, job performance, and career growth, directly benefited 3,195 individuals in 2022-23.

Our initiatives are driven to connect with one and all. We do not face any obstacle while implementing our CSR initiatives as they are transparent and strategically purpose driven. People enthusiastically welcome and collaborate with us at all levels.

Moreover, we receive unwavering support and resources from our management throughout the process.

How We Measure Our Impact

Our CSR initiatives are primarily based on two platforms: online and on-ground. For online initiatives, which are conducted through social media, we gather data points directly from their source. For on-ground activities, we carry out a physical assessment. We measure the impact factor by analyzing this data. For our social media campaigns, such as ZWR, BDK, etc., we observe metrics like reach and engagement, which provide us with a comprehensive overview of the impact.

474.5 million
People reached

23.4 million
People inspired

13.3 million
Total engagement

489.9 million
Impression

12,156
People advocated and shared

Our total reach stands at 474.5 million, of which 64.69 million was achieved in FY23. Our on-ground activities directly benefited 53,624 people and indirectly impacted an additional 2,38,627 individuals, with 8,577 and 38,168 of these benefits respectively occurring in FY23. These metrics are regularly updated on our website. The qualitative impact is ascertained through comments, which are also consistently posted in the impact section of our website.

For our on-ground initiatives, such as the Rozgar Mela and skill development

workshops, we determine the success rate and impact through a physical headcount and qualitative feedback gathered from the beneficiaries.

Joining Hands

To create maximum impact and achieve our goals more efficiently, we actively collaborate with knowledge and resource partners, industry associates, and educational institutions for our CSR activities.

In FY23, we collaborated with G20 Empower, FICCI FLO, and FICCI Young FLO to host the Wellness Conclave. We partnered with renowned senior journalist and media personality, Richa Anirudh, to produce "Sleepwell Foundation Presents Zindagi with Richa" - an inspirational film series featuring real-life stories, designed to inspire and motivate the masses.

For our skill development workshops, we partnered with industry bodies CII and FICCI FLO, as well as various educational institutes. Our partners included BITS Pilani, Apeejay School of Management in New Delhi, Shri Ram College of Commerce (SRCC) in New Delhi, MIET Meerut, IFTM University Moradabad, Mewar University, Balaji Group of Institutions Narsampet, Cambridge Institute of Technology Ranchi, Aligarh Muslim University (AMU), Sharda University in Greater Noida, BULMIN in New Delhi, Maharaja Surajmal Institute in New Delhi, Mahendra Girls Inter College in Agra, and IFTM University in Moradabad.

For the students of these institutes, we conducted workshops focusing on two key areas: 'How to Start a Business' and 'Building Your Professional Effectiveness'.

Our knowledge partners at Sleepwell Foundation Skill Development Centre, Khurja are NIIT Foundation, MasterG & Daughters, Delhi Paramedical & Management Institute - DPMI, and Staqo.

Protection of Art and Culture



In an endeavour to protect the art and culture Sheela Foam Limited joined hands with Teamwork, the organisers of Jaipur Literature Festival - JLF, to organise 'The Sacred, Amritsar' to give a tribute to the spirit of Amritsar, a city known for its indomitable spirit, its profoundly intellectual character, chequered history and rich and diverse cultural heritage.

The festival was designed to promote and protect Art and Culture through performance in the field of music, poetry, and heritage by about 45 artists. In the festival various artists enthralled the audience with their diverse and inspiring performances. More than 100 delegates attended the event, and there was a footfall of over 1,000 people at the venue. Further it reached out to an audience of 108 million people through different media channels. Through the event, new talents were promoted & renowned artists motivated the youth across the country.

CSR Initiatives Near Our Plants

In the fiscal year 2022-23, we undertook several CSR initiatives in the vicinity of our plants. These were designed to enhance amenities and infrastructure within local schools and villages, benefiting thousands of people. The initiatives include:



1) Near our Jabalpur plant, we constructed toilet blocks for a co-ed school.

2) Near our Kala Amb (H.P.) plant, we donated two rot-making machines to a Village Community Centre.



3) In proximity to our Talwada plant, we built a prayer hall in a school.

4) Close to our Jalpaiguri plant, we constructed the approach road for Jhanju Para Primary School, renovated their school building, and donated desks for classrooms.



5) Near our plant in Hyderabad, we are currently constructing a toilet block in a school.

Digital Presence

Embracing the rise of social media and digital technologies, particularly within rural, semi-urban, and underprivileged communities, forms a core part of our approach.

The rapid growth in internet consumption among the youth significantly shapes our strategy. In our CSR initiatives, we prioritize digital inclusion and harness the power of technology to create a more substantial societal impact.



Underlying message of our CSR

Proactive Emotional Wellness is crucial for society. Lost productivity as a result of two of the most common emotional and mental disorders, anxiety and depression, costs the global economy US\$ 1 trillion each year.

Yet, despite substantial advances in research, demonstrating the clinical and cost-effectiveness of pharmacological and psycho-social interventions to prevent and treat common emotional issues, delivery at scale and translation into real-world benefits has been slow. One key area that restricts its propagation is lack of awareness for proactive emotional wellbeing.

Sheela Foam Limited, through Sleepwell Foundation, is leading efforts to raise awareness and promote Proactive Emotional Wellness. We urge all stakeholders to embrace proactive emotional wellbeing and become ambassadors, spreading the mission to benefit a large section of society. Together, we can make a profound impact on humanity.

Board of Directors



Rahul Gautam
Chairman & Managing Director

He has been associated with our Company since 1971 and has been our Managing Director since 1 April 1996. He holds a Bachelor's degree in Technology - Chemical Engineering from the Indian Institute of Technology, Kanpur, and a Master's degree in Science - Chemical Engineering from the Polytechnic Institute of New York. He has over 46 years of experience in the home comfort products and PU foam industry and is the Chairman Emeritus of the Indian Polyurethane Association.



Namita Gautam
Whole-Time Director

She has been associated with our Group for the past 34 years and has been a Whole-Time Director of our Company since 14 November 2003. During her tenure, she has headed the Human Resources, Marketing, and Projects departments of the Company. She currently leads our CSR initiative through the Sleepwell Foundation and heads Special Projects. She holds a bachelor's degree in Law and a master's degree in Economics from Kanpur University.



Som Mittal
Independent Director

He has been associated with the Company since 7 June 2016. He holds a bachelor's degree in Metallurgical Engineering from the Indian Institute of Technology, Kanpur, and a post-graduate diploma in Business Administration from the Indian Institute of Management, Ahmedabad. He has several years of experience in the manufacturing and information technology sectors.



Ravindra Dhariwal
Independent Director

He has been associated with our Company since 7 June 2016. He holds a bachelor's degree in Chemical Engineering from the Indian Institute of Technology, Kanpur, and a postgraduate diploma in Management from the Indian Institute of Management, Calcutta. He was the Group CEO of Bennett & Coleman, India's largest media company. He has vast experience in the fields of Sales and Marketing Management.



Anil Tandon
Independent Director

He has been associated with our Company since 7 June 2016. He is holding a bachelor's degree of Technology in Electrical Engineering from the Indian Institute of Technology, Kanpur and a Post-graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. Since 1995, he has been the Managing Director of Tex Corp Pvt Ltd, a leading organisation in the field of fastening products. He has several years of national and international experience in the zip-fastening products sector.



Rakesh Chahar
Whole-Time Director

He has been associated with our Company since 1 November 1990 and has been a Whole-Time Director since 14 November 2003. He has more than 31 years of experience in the business of selling and marketing bedding products and polyurethane foam. He heads the Sales and Marketing function.



Tushaar Gautam
Whole-Time Director

He has been associated with our Company since 7 January 2002 and has been a Whole-Time Director since 1 April 2007. He also served as CEO of Indian Operation. He holds a bachelor's degree from Purdue University, USA, where his courses of study included Financial, Marketing, and Operations Management. He oversees the operations of the Company and our subsidiary Joyce Foam Pty Ltd and Interplasp Spain and serves on their Board of Directors. He has more than 20 years of experience in heading Production, Research and Development.



Lt Gen (Dr.) Vijay Kumar Ahluwalia
Independent Director

He has been associated with our Company since 5 March 2018. He is holding a master's degree in Defence Studies and Management from Madras University, M. Phil in Defence Studies from Indore University and PhD in Management - Internal Security and Conflict Resolution from Amity University, Noida. He has several years of experience in the Defence Services. He also served as a Judge of the Armed Force Tribunal and as Director-General of Raffles Group of Institutions, Raffles University, Neemrana, Rajasthan.



Meena Jagtiani
Independent Director

She is an MBA from the Symbiosis Institute of Business Management and has done an Executive Development Programme from Wharton Business School, University of Pennsylvania. At present, she is working as an independent HR advisor. She has three decades of rich industry experience in the field of HR. She served in various corporate houses such as the Aditya Birla Group, Daksh e-Services Private Limited, and Korn/Ferry International, the world's leading search firm before taking her role as an Independent Advisor.

Awards and recognition

Great Place To Work Certified
March 2023 - March 2024
INDIA

Dear Colleagues,

We are incredibly proud to receive the 'Great Place To Work' certification for the 4th time in a row! This is a sheer reflection of our commitment to build a workplace culture that focuses on high standards of employee engagement, happiness & trust.

A big applaud to the entire team for creating & sustaining a "High-Trust, High-Performance Culture". It is a testimony of our collective efforts, pride & dedication. At Sheela Foam, our people are the most important asset of the organisation, and I am happy to see that their inputs, belongingness & contribution over the years are paying off.

We are delighted that we have been successfully certified for fourth consecutive year. As we continue to grow, the focus on our people is only going to increase.

Best wishes,
Rahul Gautam

SheelaFoam | 50th

This is to certify that Sheela Foam Limited has successfully completed the assessment conducted by Great Place to Work® Institute, India, and is certified as a great workplace.

This certificate is valid from Mar 2023 to Mar 2024.

Yashwanth
Industrial Relationship
Chief Executive Officer
Great Place to Work® Institute, India

We received the 'Great Place To Work' certification for the 4th time in a row. This is a sheer reflection of our commitment to build a workplace culture that focuses on high standards of employee engagement, happiness & trust.



Mr Mahesh Gopalsamudram, COO, has made into the list of the top 200 COOs in India 2023. He has an impeccable track record as a leader with integrity, vision and strategic approach combined with strong execution and people skills.

Mr. Shonik Goyal (H.O. D. of Supply Chain Department of Sheela Foam Limited) has been awarded as a "Outstanding Supply Chain Leader" for Consumer Durables by Institute of Supply Chain Management (ISCM). He has a impeccable record of managing the Logistics and Supply Chain.

Corporate Information

Board of Directors

Executive Directors

Rahul Gautam
Namita Gautam
Rakesh Chahar
Tushaar Gautam

Non-Executive Independent Directors

Som Mittal
Ravindra Dhariwal
Anil Tandon
Lt Gen (Dr.) V K Ahluwalia
Meena Jagtiani

CEO (India Business)

Nilesh Mazumdar

Group CFO

Amit Kumar Gupta

Company Secretary

Md Iqbal Ahmad

Auditors

M S K A & Associates

Bankers

Yes Bank Limited
Citi Bank
Kotak Mahindra Bank

Registered Office

604 Asha Deep, 9 Hailey Road
New Delhi - 110001, India
Telephone - +91 11 22026875

Head Office

#14, Sector 135,
Noida - 201301
Uttar Pradesh, India
E-mail - investorrelation@sheelafoam.com

Registrar of the Company

Link Intime India Private Limited
Noble Heights, First Floor, Plot NH2
C-1 Block LSC, Near Savitri Market
Janakpuri, New Delhi - 110058
Telephone - +91 11 - 41410592, 93, 94
E-mail - delhi@linkintime.co.in
Website - www.linkintime.co.in

Management Discussion & Analysis

Economic overview

Global economy

Global economies faced significant headwinds in 2022 in the wake of mounting inflationary pressures and geopolitical conflict in Europe. The sustained rise in interest rates by Central Banks to combat inflation and the ongoing geopolitical crisis in Europe are exacting a heavy toll on the economy.

The sudden surge of COVID in China dented growth prospects in 2022. However, the recent reopening has set the stage for a faster-than-anticipated recovery. Another positive aspect is the fact that global inflation is likely to fall from 8.8% in 2022 to 6.6% in 2023 and 4.3% in 2024 [Source: IMF World Economic Outlook, January 2023].

Emerging market economies are projected to grow by 4.5% in 2023, compared to 1.1% for advanced economies [Source: IMF World Economic Outlook, April 2023]. The emerging markets and developing economies of the world are expected to be instrumental in accelerating global economic growth in the years ahead. In addition, certain industries, such as technology and e-commerce, have experienced significant growth during the pandemic and are expected to continue to do so in the coming years.

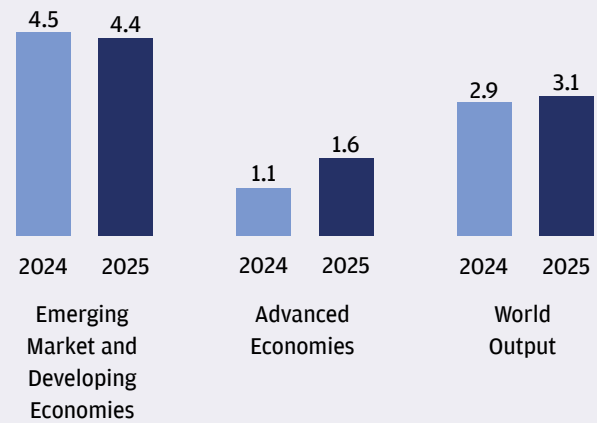
Outlook

Demographic trends and rising middle-class consumption are most likely to contribute to the rapid growth of the EMDEs. Many emerging market economies have young populations that are joining the workforce and contributing to economic growth. In addition, faster urbanisation is leading to a greater demand for housing, infrastructure and consumer goods.

There is potential for further innovation and technological advancement that could fuel the economy's recovery. The pandemic has accelerated digital transformation across many industries, which could lead to enhanced productivity and efficiency in the upcoming years.

A stronger boost from pent-up demand in numerous economies or a faster fall in inflation is likely in the course of 2023. The governments and central banks of the world are expected to play a major role in accelerating economic growth through targeted, need-based measures. [Source: IMF World Economic Outlook, January 2023]

Estimated World Growth Rates

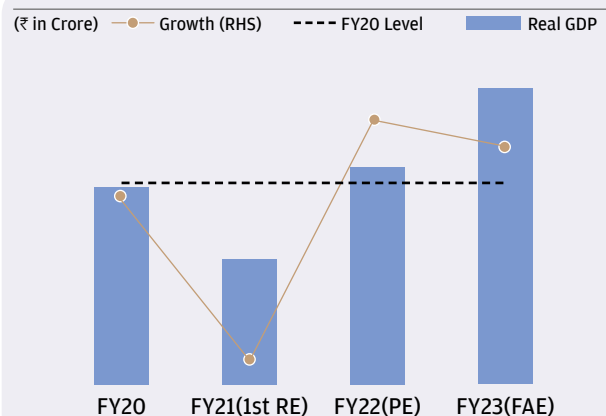


(source: IMF'S World Economic Outlook, April 2023)

Indian economy

Notwithstanding the global gloomy outlook, India's economic activity has been robust on the back of a conducive domestic policy environment and the Government's sustained focus on structural reforms. Owing to its strong macroeconomic fundamentals, the Indian economy is in a sweet spot to grow at 7% in FY 2022-23 [Source: NSO, second advance estimates].

A combination of rising disposable income, coupled with the easy availability of credit and lowering interest rates in the wake of a stabilising inflation trajectory will bode well for the domestic economy's growth in the years ahead.



(Source- NSO, MoSPI)

<https://www.indiabudget.gov.in/economicsurvey/doc/eschapter/echap01.pdf>

Outlook

There are several reasons to be bullish about India's economy in FY 2023. With robust consumer demand and an improved balance sheet of the private sector, the domestic economy's outlook appears cautiously optimistic. High-frequency data indicates that the manufacturing PMI in December 2022 rose to the highest levels in over two years, which augurs well for fresh investment activity in the sector. Despite the challenges, India's economy has strong domestic drivers that can help it register strong growth 2023 onwards.¹

According to the IMF, India and China will contribute over 50% of global growth in FY 2023.

Industry overview

Health and wellness industry

India's health and wellness market is expected to expand at a CAGR of 5.55% during 2023-2028. With an increased focus on fitness, wellness, nutrition, personal care, weight management, mindfulness and preventive medicine, the health and wellness industry in India is gaining traction. Apart from this, higher incidences of chronic lifestyle diseases, stress and other ailments, as well as advancements in the medical field, including predictive genetic testing, are escalating the demand for health and wellness products across the country. Other factors contributing to the market's positive outlook include a rising number of sports and fitness training centres, greater reliance on healing practices such as naturopathy and the rapid growth of health tourism.²

India's mattress industry

There are many branded and unbranded players producing a wide range of mattresses through local distribution channels in India's fragmented mattress market. The unorganised sector dominates the country's mattress industry and has a major share of the Indian mattress market. Mattresses from this unorganised sector usually use cotton filler, as it is the cheapest of the many options that are now available.

An increasing number of residential units is propelling the demand for mattresses all over the country. Residential consumers accounted for the bulk of the share, while the remaining was shared by institutional customers, which include hotels, hospitals and educational institutions. Among the different sizes available, king-size mattresses are the most preferred and comfort is the most crucial factor that determines their dominance in the market.³

Residential consumers accounted for 80% of India's mattress market, while 20% was constituted by institutional customers.⁴

Strategic growth drivers

- **Work from home (WFH) culture**

Following the pandemic, there have been several changes in the way people live and work. These have created the need to 'allocate' a space inside houses for 'office work'. This trend has played out across homes, irrespective of their sizes and has increased the requirement for mattresses.

- **Increasing awareness**

Greater consumer awareness of the significance of quality sleep and the crucial function that a decent mattress can play for achieving it is one of the main growth enablers for India's mattress market.

- **Online sales and distribution**

The growth of e-commerce has opened up new avenues for the country's mattress industry. Manufacturers can leverage online sales and distribution channels to reach a wider audience and expand their customer base.

- **Infrastructure development**

The growth of the Indian mattress industry is also dependent on infrastructure development, including the availability of raw materials, skilled labour and transportation.

- **Growth in the real estate and hospitality sectors**

According to the Union Budget for 2022-23, 80 lakh houses will be built for the identified eligible beneficiaries of the PM Awas Yojana, in both rural and urban regions. A sum of ₹ 48,000 crore has been allocated for this purpose. The real estate sector in India is expected to reach USD 1 trillion in market size by 2030 and contribute 18 to 20 % to the country's GDP.⁵ Retail, hospitality and commercial real estate are also growing significantly, providing much-needed infrastructure for India's rising needs. Demand for mattresses is high because both residential and institutional sectors are growing in India with greater awareness regarding mattress types and brands.

¹ <https://www2.deloitte.com/us/en/insights/economy/asia-pacific/india-economic-outlook.html>

² <https://www.imarcgroup.com/health-and-wellness-market-india>

³ <https://www.mordorintelligence.com/industry-reports/india-mattress-market>

⁴ <https://www.mordorintelligence.com/industry-reports/india-mattress-market>

⁵ <https://economictimes.indiatimes.com/news/economy/finance/real-estate-sector-to-touch-1-trillion-by-2030-kant/articleshow/87209359.cms?from=mdr>

Changing consumer preferences

- Higher income

Mattresses are no longer considered mere consumer durables. They are now regarded as an indicator of quality of life. With increasing income, there are high chances that consumers will shift towards the purchase of premium mattresses.

- **Increasing health consciousness**

As people are now more aware of the benefits of high-quality mattresses for enhanced comfort and sleep, this is augmenting the demand for premium products.

- **Greater awareness about brands**

Consumer now prefer innovative and branded mattresses owing to changing lifestyles and enhanced digital literacy.

Organised mattress industry

The organised sector is now growing with the rising demand for good-quality mattresses among Indian consumers. The organised mattress market is further classified into PU foam, Rubberised Coir, Spring Mattresses and other types.

The organised mattress industry is increasingly investing in research and development with the aim of creating new and innovative mattresses that cater to specific customer needs. Additionally, there is an growing trend towards customisation, with companies selling custom mattresses made to fit specific body shapes and preferences. Customers are willing to spend more for a comfortable and customised sleeping experience, which is why these products are gaining more popularity.

Distribution platforms

Organised players offer mattresses through two mediums: offline and online. The trade through online sales in the organised mattress industry is gaining pace because more consumers now opt for online shopping. This has led to the online market developing at a faster rate as compared to the offline market. Several new trends are expected to emerge in the mattress industry in the upcoming years, whereby the demand for customised and luxury mattresses is expected to increase⁶.

A visible shift has been observed in the consumers' perspective, where the main focus is on the comfort and functionality of the product.

India's Flexible PU Foam Industry

Polyurethane foam is a widely used polymer that is available in two forms, i.e., flexible foam and rigid foam. Rigid polyurethane foams are utilised for numerous insulation applications pertaining to construction and refrigeration. Flexible polyurethane foams are particularly used as a cushioning substance in various end-use industries such as furniture, packaging, transportation, bedding, automotive interiors and carpet underlay. The use of flexible polyurethane foam is becoming popular as it can be customised in almost any shape and variety. These flexible foams are also durable, light, comfortable and supportive.

Polyurethane foams exhibit clean incineration and high recyclability for reduced waste, pollutant filtration and greater sustainability. The penetration of polyurethane foams is anticipated to rise owing to properties such as superior insulation that make them ideal for walls and roofs in new homes.

Applications of polyurethane foams in electric vehicles (EVs) are more than the normal vehicle i.e. new applications. As governments invest to incentivise EV usage, increasing the production of EVs in the future would also drive demand for PU foams in the upcoming years.

Asia-Pacific is anticipated to be the fastest-growing market for polyurethane foam. Factors such as rising demand for polyurethane foams from various end-user industries and the enlarging footprint of the global players in polyurethane foams are likely to facilitate the polyurethane foam market's growth. Government support in the form of subsidies and tax incentives is expected to encourage the manufacturing sector in countries such as India and China, which is further expected to promote bio-based polyurethane to replace conventional polymers⁷.

Opportunities and threats

Opportunities

- **Product differentiation**

Differentiated products such as new materials, designs and features that provide superior comfort and support are likely to attract a huge customer base with differentiated needs.

- **E-commerce**

The growth of e-commerce platforms offers a wider reach, as there is a growing market of consumers who may prefer to shop online for multiple reasons.

- **Export potential**

Indian industry offers competitive prices and hence, can expand into global markets. Asia-Pacific is expected to be the fastest-growing market.

⁶ <https://www.mordorintelligence.com/industry-reports/india-mattress-market>

⁷ <https://www.precedenceresearch.com/polyurethane-foam-market>

Rural market

One of the most significant opportunities for the mattress industry is in rural India with its large and growing population. The majority of India’s population lives in rural areas signifying a huge potential for the industry. As incomes have risen, rural consumers have begun to demand more comfortable and hygienic high-quality mattresses. The industry in rural India is still in its early stages of development, however, there is a lot of potential for growth.

Threats

Transportation and warehousing

The fact that PU foam and mattresses are voluminous in nature makes warehousing and transportation difficult. Long-distance transportation is impractical due to the high expenses required.

Raw material prices

The cost of raw materials, including foam, cotton and latex, can significantly impact manufacturers’ profitability. Volatility in raw material prices can lead to higher costs that are difficult to pass on to customers.

Economic instability

Economic instability, such as inflation, recession, or changes in government policies, can adversely affect India’s mattress industry. This can lead to reduced consumer spending, lower demand and decreased profits.

Counterfeit products

The proliferation of counterfeit products poses a key threat to the mattress industry in India. These products may be of inferior quality, which can damage the reputation of legitimate manufacturers and affect consumer trust.

COMPANY OVERVIEW

Established in 1971, Sheela Foam Ltd. has been at the forefront of the foam-based product industry in India for over 50 years. The Company’s unwavering commitment to quality, innovation and sustainability has helped it establish itself as a leading brand in the industry. Sheela Foam’s diverse product portfolio caters to the needs of various industries, including home furnishings, automotive, healthcare and more. The Company’s products, including technical-grade PU foam, are renowned for their superior quality and find diverse applications in various sectors.

The Company’s operations are supported by a dynamic management team, a recognised brand, cutting-edge manufacturing facilities, a sizable distribution network and ground-breaking research and development capabilities. To offer its customers the utmost comfort and convenience, the Company creates items of unparalleled quality based on shifting customer preferences. The Company’s core strength is its dedicated and highly competent talent pool, which enables it to manufacture distinctive, top-of-the-line goods using state-of-the-

art technologies. As a responsible corporate citizen, Sheela Foam has implemented various initiatives to lower its carbon footprint and promote eco-friendly practices across its operations.

Product portfolio

Mattresses segment

Foam Mattress, Spring Range, Technology Range, Comfort Cell Range, Back Support Range, Flexi PUF Range, Showroom Range, Economy Range, SleepX Online Brand

Technical foam

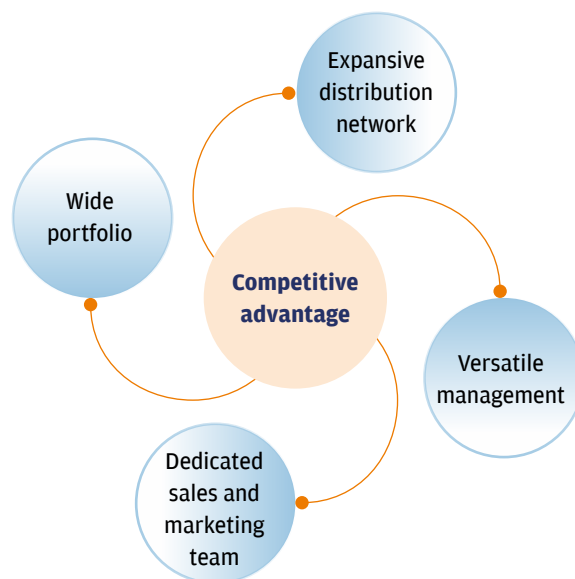
Automotive Foams, Reticulated Foams, UltraViolet Stable Foams and Silentech Foams

Furniture foam

Sleepwell Resitec, Sleepwell Cool Gel and Primo

Comfort foam and home care products

Foam Sheets, Foam Blocks, Comfort Range accessories, Foam Cores, Furniture Cushions, Pillows, Bedsheets, Comforters/ Blankets, Mattress Protectors, Sofa-cum-Beds



Manufacturing prowess

The Company has 17 manufacturing facilities spread across India, Australia and Spain. It produces cutting-edge products that offer the ideal balance of support and comfort. The Company exhibits outstanding capabilities in high-quality production and technological advancements.

To better serve its customers, and to expand its global market share the Company established new facilities in strategic locations in Australia and India, which would help it to produce and distribute its products more efficiently, reducing lead times and transportation costs. The Company’s wholly-owned subsidiary, International Comfort Technologies (ICTPL), will be responsible for overseeing the operations of these state-of-the-art facilities.

The Australian facility, strategically located in five places have 11,000 MT per year. The Indian facilities, located in Jabalpur and Nandigram, is under our wholly owned subsidiary, International Comfort Technologies Pvt Ltd.

This expansion is a testament to the Company's dedication to providing its customers with the best products at competitive prices. It is confident that these new facilities will be a major success and help it to further establish itself as a leader in the industry.

Creating futuristic brands

The Company has a flawless track record of creating individualised products that cater to changing customer needs. The Company's flagship brand, Sleepwell, has developed a strong reputation over the years. Feather Foam and Starlite are two other brands owned by the Company that offer inexpensive mattresses to consumers. The Company's market share in the organised mattress market has increased owing to these products.

Technological innovations at Sleepwell

Variable Pressure Foaming (VPF)

The Company is a pioneer of the world's most environmentally friendly method of foam manufacture, variable pressure vertical foaming (VPVF). Variable Pressure Foaming (VPF) is a rapidly growing technology and is a proven way to improve the environmental performance, quality, and efficiency of foam production and contribute to overall sustainability. The Company will be commissioning a VPF machine in its Jabalpur facility which is a sign of the Company's commitment to sustainability and innovation. It will help Sheela Foam to improve its environmental performance and the quality of its products.

Benefits of VPF

- 1 Eliminates hazardous air pollutants
- 2 Produces negligible Volatile Organic Compounds (VOCs)
- 3 Produces a more consistent and dense foam
- 4 Uses raw materials efficiently
- 5 Reduced energy consumption
- 6 Increased production capacity
- 7 Reduced waste and improved worker safety

Joyce Foam Products

Joyce Foam, Australia, a wholly-owned subsidiary of the Sheela Group, has over 40% market share in Australia. It is Australia's one of the largest manufacturers of flexible open-cell polyurethane foams and serves a variety of markets, including bedding, furniture, medical, and specialised industrial applications. Joyce Foam has cemented its position as a leading manufacturer of flexible polyurethane foam in the region. The company prides itself on its state-of-the-art production centres, located in key cities such as Adelaide, Canberra, Melbourne, Perth, and Sydney, which are equipped with the latest technology and machinery for producing high-quality foam and mattress products.

Other initiatives

The Company has expanded its retail network to reach more customers and improve its brand presence. It has increased the number of its Multi Bran Outlets MBOs and has expanded its dealer network which has allowed it to reach a wide range of customers and sell its products in a variety of locations. It has a network of **over 115 exclusive distributors**, approximately **5,700 exclusive dealers**, and approximately **7,600 multi-brand outlets**.

115+
Exclusive distributors

5,700
Exclusive dealers

7,600
Multi-brand outlets

Online sales

The Company has witnessed an increase in its online sales in FY23, with a striking 24% growth. Also, online sales now account for a considerable 8% of the company's total sales volume.

24%
Increase in online sales

Marketing Initiatives

BTL Marketing

Sheela Foam has been consistently expanding its below-the-line (BTL) marketing efforts for its legacy brands such as Sleepwell and Feather Foam. This includes activities such as in-store promotions, product demonstrations and direct mail campaigns that help the Company reach out to customers personally.

E-commerce marketing

The Company has been revamping its e-commerce marketing efforts by using content marketing to cater to the urban population. For instance, Sleep X, the e-commerce brand from Sheela Foam, has launched a wide collection of durable, high-quality mattresses for enhanced back support and comfort, considering the changing buying habits and lifestyles of the youth.

Product launches

Sheela Foam regularly introduces new products that cater to evolving customer needs and preferences. For instance, the Company recently launched a range of premium mattresses under its flagship brand, Sleepwell, that offer superior comfort and support.

Digital marketing

The Company has a strong online presence through its website, social media pages and e-commerce platforms. It leverages these channels to engage with customers through targeted advertising campaigns, influencer partnerships and interactive content.

Promotional activities

Sheela Foam engages in various promotional activities such as advertising campaigns on TV and print media, sponsorships of sports events, including IPL cricket matches and marathons, along with participation in trade shows to raise brand awareness and drive sales.

Financial overview

In FY23, the Company's net revenue from operations on a standalone basis was ₹ 2,019.82 crore as compared to ₹ 2,008.21 crore in FY22. Profit after tax for the current year was ₹ 194.86 crore in contrast to ₹ 197.31 crore in FY22. Net revenue from operations in Australia was AUD 79.56 million as compared to AUD 77.56 million in the previous year. The net profit after tax was AUD 0.94 million as compared to AUD 2.66 million in FY22. The net revenue from operations in Spain was Euro 47.21 million as compared to Euro 51.18 million in FY22. The net profit after tax was Euro 2.89 million as compared to Euro 2.19 million in FY22. On a consolidated basis, net revenue from operations stood at ₹ 2,873.32 crore as compared to ₹ 2,865.58 crore in the previous year. Consolidated net profit after tax decreased to ₹ 203.06 crore from ₹ 218.73 crore registered in FY22.

Key Financial Ratios Standalone Operation according to the SEBI Listing Obligations and Disclosure Requirements (Amendment) Regulations, 2018

| | 2022-23 | 2021-22 |
|------------------------------------|---------|---------|
| Debtors Turnover (in times) | 13.46 | 13.43 |
| Inventory Turnover (in times) | 6.70 | 6.32 |
| Interest Coverage Ratio (in times) | 37.30 | 38.32 |
| Current Ratio (in times) | 3.11 | 1.54 |
| Debt Equity Ratio (in times) | 0.01 | 0.02 |
| Operating Profit Margin (%) | 9.33 | 10.03 |
| Net Profit Margin (%) | 10.00 | 10.00 |
| Return on Net Worth (RONW) (%) | 18.45 | 21.07 |

Growth strategy and outlook

Improving branding and product development initiatives

The Company's budget mattresses, Starlite and Feather Foam, offer sufficient growth potential for development in the rural retail sector. It concentrates on increasing investments in brand-building initiatives to improve distribution and retail networks, brand recognition and customer recall. To sell more products, it also plans to introduce products at competitive prices.

Boosting e-commerce penetration

The Company has been using an e-commerce platform to sell mattresses and related goods. It lists its products on well-known e-commerce platforms in addition to using its own website to promote sales and display its product line-up. With wider e-commerce penetration, it aims to bolster both its top-line and bottom-line performance.

Catering to changing customer needs

The Company is dedicated to creating personalised products that cater to different customer needs. Its broad range of products, technological expertise and strong manufacturing skills enable it to produce high-quality, higher-margin items, including more refined grades of technical PU foam.

Strengthening distribution and exports

The Company continues to market its low-cost items in rural areas while working to strengthen its domestic retail footprint. The Company will be able to expand its reach and meet the demand for affordable products owing to increased infrastructure development and growing distribution channels in newer geographies. Additionally, it focuses on enhancing its export business through the development of new products and technologies, the increase of capacity in overseas subsidiaries and so on.

Suburban penetration

The Company is committed to providing its customers with a convenient and enjoyable shopping experience. It has a number of strategies in place to penetrate the suburban market like expanding its retail network by opening new brand outlets, partnering with local retailers in suburban areas, promoting its products online through a variety of channels including website and social media, and offering financing options like instalments. Sheela Foam is well-positioned to penetrate the suburban market.

Risks and mitigation measures

Risks

Mitigation

Macroeconomic Risk

The Company's operations may be impacted by recent COVID variants and associated restrictions, a slowdown in economic growth, along with end-user industries including the housing, hospitality and automobile sectors.

- Favourable government reforms and rising infrastructure development spending are all anticipated to revive the economy's growth. To shield the economy against the pandemic's negative impact and improve consumer confidence, the Government and key financial institutions have implemented several reform measures.
- Rapid urbanisation, rising income levels and consumer demand for high-end, luxury goods and services are major factors driving the demand in the organised mattress market.
- The Company's subsidiaries in Spain and Australia enable it to foray into foreign markets and reduce its dependence on the Indian economy.

Competition Risk

Due to appealing expansion potential, the sector is facing rivalry from a growing number of organised mattress market competitors. Loss of market share could result from an inability to provide high-quality, personalised products to satisfy changing client needs.

- By creating comfortable and high-quality mattresses and home comfort products, the Company has become a well-known and dependable name in the industry. Its flagship brand, Sleepwell enjoys high levels of consumer satisfaction and dependability.
- Increased spending on R&D and innovative technologies enables the Company to create high-end, cutting-edge products.
- Additionally, the Company's activities are supported by cutting-edge production machinery and inventive shop floor practices that offer a significant operational advantage.
- The Company's mission is to provide premium mattresses developed using innovative initiatives such as Comfort Cell and Neem Fresche. Furthermore, the Company is able to drive sales of its products because of its extensive distribution network.
- With its wide variety of affordable mattresses, the Company focuses on serving specific niche markets. It supports the Company in retaining its position as the unorganised sector's market leader.
- The Company extensively focuses on pioneering state of the art technologies like VPF which results in improved product quality and reduced costs.

Risks

Mitigation

Inventory Risk

High inventory build-up due to unsuccessful marketing and selling of products may pose a challenge to the Company's operations.

- The Company assures balanced and orderly sales through its extensive distribution network, which includes more than 115 exclusive distributors, 13,300 retail dealers, 7,500 multi-brand and 5,700 exclusive brand outlets.
- The Company relies on its strong brand recognition and continuously makes prudent branding and advertising expenditures to strengthen its presence across a range of media.
- With the aid of an efficient IT infrastructure and inventory management, the Company guarantees effective product delivery. The system guarantees real-time inventory control and prompt delivery of the goods.

Raw Material Risk

The smooth and continuous supply of raw materials is essential to the Company's operations and any interruptions could have a negative influence on the creation of high-quality products. Imported raw materials, currency and exchange rate variations could potentially have an effect on profit margins.

- Key raw ingredients (Polyol and TDI) are purchased in bulk by the Company at cost-effective prices.
- It achieves a balance between importing raw materials and buying them locally.
- The Company is able to obtain raw materials at the best prices because of its solid and established relationships.
- By ensuring raw materials availability to meet market demand, it lowers the chance of an unexpected raw material shortfall.

Counterfeiting Risk

Another important challenge is the inability of the Company to resolve product counterfeiting and quality issues, which may result in loss of customer trust and sales, thereby damaging the Company's brand name.

- Continued investments towards introduction of Unique Serial Number/marks/label/hologram/hot stamp, and so on, in mattresses enables the Company to check genuine products
- The Company periodically checks the market to track and avoid sales of fraudulent and counterfeit products.

E-commerce Risk

Globally and in India, consumer preferences have fundamentally changed as a result of the pandemic, favouring quick adoption of technology, online shopping, enhanced comfort and convenience at home, etc. Its business and market share may suffer if the Company is unable to use digitisation and technology to keep up with the changing trends.

- The Company offers its SleepX product on its own website as well as prominent e-commerce platforms such as Amazon, Flipkart and others.
- The Company is focused on integrating retail and online sales to offer clients a seamless purchasing experience across all channels.

Internal controls

The Company's internal control framework centres on strong governance, a vigilant finance function and independent internal reviews. Risk evaluation exercises prioritise risks facing the business based on which strategies are formulated. The Audit Committee periodically reviews and takes suitable action for any deviation, observation or recommendation suggested by the internal auditors. The Company strives to follow the best practices in corporate governance. Well-documented policies and procedures enable it to strictly adhere to all applicable procedures, laws, rules and statutes. The Company's robust IT systems safeguard its sensitive data and ease the audit process. Accounting standards are strictly followed while recording transactions. A host of strategies are devised, in addition to robust MIS systems, for real-time reporting so as to control expenses. Any variance from budgetary allocation is promptly reported and corrected to ensure strict compliance.

Human resources

The development and success of an organisation depend heavily on its human resources. The Company's professional and experienced workforce ensures business continuity and develops strategies and procedures to adapt to a changing business environment. To increase individual and organisational productivity, the Company organises several human resource programmes. It promotes a secure and beneficial work environment and guarantees that everyone has equal access to opportunities for professional progression. These

programmes help the Company recruit and keep the best people while enhancing employee satisfaction and productivity.

The Company has received approval from the stock exchanges for its Employee Stock Option Plan (ESOP) scheme which is further expected to form a key part of the Company's HR strategy. The Company believes that the ESOP scheme will be a valuable tool for attracting and retaining top talent.

2,747
Total employee strength

Cautionary statement

The statements in the Management Discussion and Analysis Report that describe your Company's projections, estimates and expectations are "forward-looking statements". They are within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied depending on the economic conditions affecting demand and supply, the price scenario in the domestic and international markets in which it operates, changes in government regulations, tax laws and other statutes. Your Company undertakes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events.

Directors' Report

Dear Members,

Your Directors' have pleasure in presenting the 51st Annual Report on the business, operations and financial performance of the Company along with the Consolidated Audited Balance Sheet and Statement of Profit & Loss for the year ended 31st March, 2023.

FINANCIAL INFORMATION

(₹ in Crores)

| Particulars | Consolidated | | Standalone | |
|---|---------------|---------------|---------------|---------------|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| Revenue from operations | 2,873.32 | 2,865.58 | 2,019.82 | 2,008.21 |
| Profit before Financial Charges, Depreciation & Tax | 383.77 | 394.11 | 300.80 | 304.06 |
| Less: Financial Charges | 21.07 | 16.97 | 6.37 | 7.11 |
| Cash Profit | 362.70 | 377.14 | 294.43 | 296.95 |
| Less: Depreciation | 89.62 | 80.78 | 33.76 | 32.39 |
| Profit before Tax | 273.08 | 296.36 | 260.67 | 264.56 |
| Add/(Less): Income Tax & Earlier year's tax | (77.98) | (83.09) | (67.45) | (70.32) |
| Add/(Less): Deferred Tax | 7.96 | 5.46 | 1.64 | 3.07 |
| Profit after Tax | 203.06 | 218.73 | 194.86 | 197.31 |
| Other Comprehensive Income | 12.51 | (1.85) | (3.84) | (1.16) |
| Total Comprehensive Income for the year | 215.57 | 216.88 | 191.02 | 196.15 |

During the current year, Net Revenue of the Company, on standalone basis, increased from ₹ 2008 Crores to ₹ 2020 Crores. The Profit after tax for the current year decreased marginally by 1.02% to ₹ 195 Crores as against the profit after tax of ₹ 197 Crores of last year.

On consolidated basis the overall Revenue increased from ₹ 2866 Crores to ₹ 2873 Crores. The consolidated profit after tax decreased from ₹ 219 Crores to ₹ 203 Crores.

DIVIDEND

Board of Directors do not recommend any dividend for the year 2022-23. The entire profit is being ploughed back in the business.

SUBSIDIARIES

As on 31st March, 2023 the Company has six subsidiaries and five steps down subsidiaries. As required under the provisions of Section 129 of the Companies Act, 2013, read with Companies (Accounts) Rule, 2013, a statement containing salient features of the financial statements of subsidiaries is provided in the prescribed format AOC-1 as Annexure-A of the Board Report.

Overseas Subsidiaries:-

The Company has one 100% subsidiary, Joyce Foam Pty. Ltd (Joyce Foam) in Australia. Joyce Foam is the largest producer of Foam in Australia and supplies its high-quality Foam to Global Mattresses and Furnishing Companies. Joyce Foam recorded a turnover of ₹ 438 Crore in FY 2022-23, as compared with ₹ 430 Crore in FY 2021-22, and has posted post tax profit of ₹ 5 Crore in FY 2022-23, as against ₹ 15 Crore in FY 2021-22.

Joyce Foam Pty Ltd has one wholly own subsidiary Joyce W C NSW Pty Ltd.

In addition, the Company has one more wholly owned overseas subsidiary, International Foam Technologies Spain, S.L.U. and a step-down subsidiary, Interplasp S.L.U. in Spain. International Foam Technologies Spain, S.L.U. recorded a turnover of ₹ 395 Crore in FY 2022-23, as compared with ₹ 430 Crore in FY 2021-22, and has posted post tax profit of ₹ 24 Crore in FY 2022-23, as against ₹ 18 Crore in FY 2021-22.

Indian Subsidiaries:-

Staqa World Private Limited (Staqa) is a wholly owned subsidiary. This company is into the business of Information Technology with initial footprints in this space in domestic and overseas market. During this year, the company has achieved a turnover of ₹ 23 crores with profit after tax of ₹ 2 Crores as against a turnover of ₹ 18 Crores with a profit after tax of ₹ 2 Crores in FY 2021-22.

International Comfort Technologies Pvt Ltd is a wholly owned subsidiary. This company is into the business of Manufacturing of Foam, Mattress & home comfort products. During this year, the company has achieved a turnover of ₹ 85 Crores with loss after tax of ₹ 20 Crores as against a turnover of ₹ 8 Crores with a loss after tax of ₹ 7 Crores in FY 2021-22.

Your Company has two other wholly owned subsidiaries as under which has no significant business:

- 1) Divya Software Solutions Private Limited
- 2) Sleepwell Enterprises Private Limited

MATERIAL SUBSIDIARIES

In accordance with Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (Listing Regulations), Joyce Foam Pty. Ltd (Joyce Foam) Australia and International Foam Technologies Spain, S.L.U. are material non-listed subsidiaries. The Company has formulated a policy for determining material subsidiaries. The policy has been uploaded on the website of the Company at <http://www.sheelafoam.com>.

AMALGAMATION OF WHOLLY OWNED SUBSIDIARIES WITH THE COMPANY

A joint application of amalgamation of International Comfort Technologies Private Limited, wholly owned subsidiary with Sheela Foam Limited was filed with the National Company Law Tribunal (NCLT) Delhi during the year under review. The application is accepted by the NCLT and is under process of amalgamation.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Section 136 of the Companies Act, 2013 and the applicable Accounting Standard on the Consolidated Financial Statements, your Directors have attached the consolidated financial statements of the Company which form a part of the Annual Report.

The financial statements including consolidated financial statements and the audited accounts of each of the subsidiary are available on the Company's website www.sheelafoam.com

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- b) The directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The directors have prepared the annual accounts on a going concern basis.
- e) The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

- f) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

In accordance with SEBI Regulations, a separate report on Corporate Governance is given in **Annexure-B** along with the Practicing Company Secretaries (PCS) Certificate on its compliance. The Practicing Company Secretaries (PCS) Certificate does not contain any qualification, reservation and adverse remark.

RELATED PARTIES TRANSACTIONS

The particulars of Contracts or arrangements with related parties, in the prescribed form, are attached as **Annexure-C**

RISK MANAGEMENT

The Company has formulated a Risk Management Policy duly reviewed by the Board of Directors. The policy includes risk identification, analysis and prioritization of risk and development of risk mitigation plans. The Company has constituted a Risk Management and ESG Committee to look into the risk involved with the Company and its mitigation.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate Internal Financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operations were observed. The report on the Internal Financial Control issued by M/s. M S K A & Associates, Chartered Accountants, Statutory Auditors of the Company in view of the provisions under the Companies Act, 2013 is given in their audit report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As per the provisions of the Companies Act, 2013, Mr. Rakesh Chahar will retire by rotation at the ensuing Annual General Meeting (AGM) of the Company and being eligible, seeks re-appointment. The Board has recommended his reappointment.

Mr. Vijay Kumar Chopra had retired from the office of Independent Director on 06th June, 2022 and Mr Nikhil Datye had resigned from the post of group CFO w.e.f 05th December, 2022.

AUDITORS

M/s M S K A & Associates, Chartered Accountants, appointed as the Statutory Auditor of the Company for the five consecutive financial years from 2021-22 to 2025-26 and they will hold office until the conclusion of the 54th Annual General Meeting of the Company to be held in the year 2026.

AUDITORS' REPORT

There is no adverse observation of Auditors' on financial statements of the company. The Auditors' Report, read with the relevant notes to accounts are self-explanatory and therefore does not require further explanation.

CONSOLIDATED FEES PAID TO STATUTORY AUDITORS

Detail of total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part, as mentioned in Note 43 of Consolidated Financial Statement published through annual reports for the Financial Year 2022-23, are as below:-

Consolidated

| Particulars | ₹ in Lakhs) | |
|---------------------------|---------------------------------|---------------------------------|
| | Year ended 31 March, 2023 | Year ended 31 March, 2022 |
| Audit Fees | 38.00 | 41.00 |
| Certification Work | 2.75 | 2.00 |
| Reimbursement of expenses | 1.95 | 1.00 |
| Total | 42.70 | 44.00 |

COST AUDITOR

As per section 148 read with Companies (Audit and Auditors) Rule, 2014 M/s Mahesh Singh & Co, Cost Accountants is appointed, to conduct the cost records of the Company, for the Financial Year 2022-23, by the Board of Directors.

Cost Auditor will provide its report to the Board of directors.

INTERNAL AUDITOR

During the year M/s PKF Sridhar Santhanam LLP, Chartered Accountants appointed as in place of M/s S. S. Kothari Mehta & Co. as the Internal Auditor and they will report to Board of Directors. The internal audit will help company to review the operational efficiency and assessing the internal controls. It also reviews the safeguarding of assets of the Company.

SECRETARIAL AUDITOR

The company had engaged M/s AVA Associates, Company Secretaries as Secretarial Auditor to conduct Secretarial audit for the year 2022-23. The report on secretarial audit is annexed as **Annexure-D** to the Directors' Report. The report does not contain any qualification, reservation or adverse remark.

CORPORATE SOCIAL RESPONSIBILITY(CSR)

In terms of Companies Act, 2013, your company has to undertake Corporate Social Responsibility programme. The disclosure as per Rule 9 of the Companies (Corporate Social Responsibility Policy) Rule, 2014 is attached as **Annexure-E**

AUDIT COMMITTEE

The composition of Audit Committee is provided in the Corporate Governance Report that forms part of this Directors' Report.

VIGIL MECHANISM

The Company has established a vigil mechanism through a Whistle Blower Policy. The Company can oversee the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who may express their concerns pursuant to this policy. The policy is uploaded on the website of the Company at <http://www.sheelafoam.com>.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

The Company has in place an Anti-Sexual Harassment policy in line with the requirements of sexual harassment of women at Workplace (Prevention, Prohibition and Redressal) Act 2013. The Internal system has been set up to redress complaints received regarding sexual harassment.

MEETINGS OF THE BOARD

During the year, 7 meetings of the Board of Directors were held.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the Financial Statements.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

A. Following measures were taken by company for energy conservation in the year 22-23:

The disclosure related with energy is mentioned in the Business Responsibility & Sustainability Report (BRSR) forming part of Directors' Report.

- B. The expenses incurred on Research and Development have been included in BRSR Report annexed forming part of Directors' Report.
- C. The Company has introduced new process by establishing Variable Pressure Foaming Machine apart from other measure to reduce the consumption of energy and upgraded technology.
- D. The earnings from exports were ₹ 14.03 Crore (Previous Year ₹ 54.99 crores) and payments in foreign exchange were ₹ 164.05 Crore (Previous Year ₹ 183.81 crores).

LISTING AGREEMENTS

Your Company has entered into agreements with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), in compliance with Regulation 109 of the SEBI LODR Regulations 2015.

PARTICULARS OF EMPLOYEES

The information as required under Section 197 of the Companies Act 2013 read with Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in **Annexure-F** and **Annexure-G** to the Board's Report.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of provisions of Regulation 34 of the Listing Regulations, the Management's discussion and analysis is set out in this Annual Report.

PUBLIC DEPOSITS

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future.

BOARD EVALUATION MECHANISM

Pursuant to the provisions of Companies Act, 2013 and the Listing Regulations, the Board has carried out annual performance evaluation of its own performance, those of directors individually and of various committees.

The performance of individual directors was evaluated on parameters, such as, number of meetings attended, contribution in the growth and formulating the strategy of the Company,

independence of judgement, safeguarding the interest of the Company and minority shareholders, time devoted apart from attending the meetings of the Company, active participation in long term strategic planning, ability to contribute by introducing best practices to address business challenges ESG and risk etc. The directors expressed their satisfaction with the evaluation process.

BONUS SHARE

The company issued bonus shares in the ratio of 1:1 during the year under review.

DIVIDEND DISTRIBUTION POLICY

The company has adopted Dividend Distribution Policy and there is no change in policy during the year. As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the policy is hosted at our web site at www.sheelafoam.com and is also attached as **Annexure-H**.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT(BRSR)

Business Responsibility Report/Sustainability Report is annexed as **Annexure-I**.

ACKNOWLEDGEMENT

Your Directors wish to express and place on record their thanks to the Company's Distributors, Dealers and Business Associates for their excellent effort and the customers for their continued patronage of the Company's products. Your Directors also wish to place on record their appreciation for the devoted services of the Executive, Staff, and workers of the Company at all levels enabling the Company to achieve the excellent performance during the year.

Your Directors' also appreciate the valuable co-operation and continued support received from Company's bankers and all the government agencies and departments.

The Directors also express their sincere thanks to all the Shareholders for the continued support and trust they have reposed in the Management.

By Order and on behalf of the
Board of **Sheela Foam Limited**

Place: Noida
Date : May 17, 2023

(Rahul Gautam)
Chairman and Managing Director

Annexure-A

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/ Joint ventures

(₹ in Lakhs)

| Name of the subsidiary | Joyce Foam Pty Ltd | Divya Software Solutions Pvt Ltd | Sleepwell Enterprises Pvt Ltd | Staqo World Private Limited | International Foam Technologies Spain S.L | International Comfort Technologies Private Limited |
|---|----------------------------|----------------------------------|-------------------------------|-----------------------------|---|--|
| Place of incorporation | Australia | India | India | India | Spain | India |
| Date of incorporation / acquisition | 03-10-2005 | 19-04-2010 | 07-10-1994 | 26-03-2020 | 12-06-2019 | 01-10-2021 |
| Reporting period for the subsidiary concerned, if different from the holding company's reporting period | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | AUD AUD= INR 55.0228 | N.A. | N.A. | N.A. | EURO EURO= INR 89.6076 | N.A. |
| Share capital | 2373.38 | 9.46 | 1.05 | 1.00 | 9428.12 | 3000 |
| Reserves & surplus | 13725.97 | 5607.10 | 273.68 | 724.03 | 10119.94 | (2710.44) |
| Total assets | 41717.06 | 5625.66 | 286.69 | 1003.52 | 56905.69 | 25512.07 |
| Total Liabilities | 25618.26 | 9.09 | 11.96 | 278.49 | 37357.63 | 25222.51 |
| Investments | - | - | - | 510.27 | 27.27 | 10.59 |
| Turnover | 44938.28 | 196.55 | 10.00 | 2293.03 | 39675.85 | 8545.97 |
| Profit/(Loss) before taxation | 737.36 | (167.89) | 31.66 | 276.97 | 3024.28 | (2480.56) |
| Provision for taxation | 221.29 | (30.37) | 8.47 | 45.96 | 606.49 | (502.09) |
| Profit/(Loss) after taxation | 516.07 | (198.26) | 23.19 | 231.01 | 2417.79 | (1978.47) |
| Proposed Dividend | NIL | NIL | NIL | NIL | NIL | NIL |
| % of shareholding | 100% | 100% | 100% | 100% | 100% | 100% |

Note-

- Joyce Foam Pty Ltd, Divya Software Solutions Private Limited, Sleepwell Enterprises Private Limited, Staqo World Private Limited and International Foam Technologies Spain S.L. and International Comfort Technologies Private Limited are wholly owned subsidiaries of the Company.
- Joyce W C NSW Pty Ltd (Australia), Interplasp SIU (Spain), Staqo World KFT (Hungry), Staqo Inc USA & Staqo Technologies LLC (UAE) are step down subsidiaries.

Annexure- B

Corporate Governance Report

Our Corporate Governance is a true reflection of our value systems enshrined in our Vision Statement. Our Vision statement places highest reliance on the values of Integrity, Reliability, Proactivity and Transparency. We firmly believe that Corporate Governance, based on these value systems, is vital to not only enhance stakeholders' trust, but also for the success of the organisation. Your company remains committed to follow best governance practices in true spirit.

Board of Directors ("Board")

The Company is managed and guided by the Board of Directors. The Board formulates the strategy and regularly reviews the performance of the Company. The Board has been entrusted with the requisite powers, authorities and duties to enable it to discharge its responsibilities and provide effective leadership to the Business. The Company has an optimum combination of Executive, Non-Executive and Independent Directors who are eminent persons with professional expertise and valuable experience in their respective areas of specialisation and bring a wide range of skills and experience to the Board.

The Chairman and Managing Director of the Company provides vision and leadership for achieving the approved strategic plan and business objectives. He presides over the Board and the Shareholders' meetings. The Managing Director with the support of the Whole-time Directors and Senior Executives oversees the operations of the Company.

As on the date of this report the Board comprises of 9 (Nine) Directors, which include 5 (Five) Non-Executive Independent Directors and 4 (Four) Executive Directors. There are 2 (Two) Women Directors one of whom is Independent Director.

During the financial year None of the Independent Directors of the Company served as an Independent Director in more than seven listed Companies. The composition of the Board is in line with Regulation 17 of Listing Regulations. None of the Directors on the Board is a Member on more than 10 Committees, and Chairperson of more than 5 Committees across all listed companies in which he/she is a Director. Necessary disclosures regarding Committee positions have been made by the Directors.

Meetings of the Board

The Board of Directors met seven times during the financial year ended on March 31, 2023. Board Meetings were held on 11 April, 2022, 12 May, 2022, 17 June, 2022, 02 August 2022, 08 November 2022, 16 January 2023 and 02 February, 2023.

The maximum gap between any two Board Meetings was less than one hundred twenty days.

Independent Directors

All independent Directors have confirmed that they meet the criteria as stipulated under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) read with Section 149(6) of the Companies Act, 2013.

The maximum tenure of Independent directors is in compliance with the Companies Act, 2013 and the terms and conditions of their appointment have been disclosed on the website of the Company (web link <http://www.sheelafam.com>).

Regulation 25(3) of Listing Regulations read with Schedule IV of the Companies Act, 2013 and the rules under it mandate that the Independent Directors of the Company hold at least one meeting in a year without the attendance of Non-Independent Directors and members of the management. During the year, separate meeting of the Independent Directors was held on February 2nd, 2023 without the attendance of non-independent directors and members of the management. All the Independent Directors attended the said meeting. The independent directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

Familiarisation programme for Independent Directors

The Board/Committee members are provided with the necessary documents/brochures, reports and internal policies, codes of conduct to enable them to familiarise with the Company's procedure and practices. Directors are regularly updated on performance of the business of the Company, business strategy going forward and new initiative being taken/proposed to be taken by the Company through presentation by head of the Departments. Factory/office visits are organised from time to time for the Directors. The policy of the familiarisation programme of the Independent Directors are available on the Company's website at <http://www.sheelafam.com>.

Composition of Board

The composition of the Board of Directors at the end of Financial Year i.e 31st March, 2023, their attendance at the Meetings during the year and at the last Annual General Meeting as also the detail with regard to outside Directorships and committee positions are as under:-

| Name of the Director and DIN | Category | Number of meeting attended | Attendance in Last AGM held on 18th August, 2022 | No. of other Directorship in listed company including this company | No. of Committee positions held including other Companies## | |
|-----------------------------------|-------------------------------|----------------------------|--|--|---|--------|
| | | | | | Chairman | Member |
| Rahul Gautam# 00192999 | Promoter & Executive Director | 7 | Yes | 1 | 0 | 0 |
| Namita Gautam# 00190463 | Executive Director | 6 | Yes | 1 | 0 | 0 |
| Rakesh Chahar 00180587 | Executive Director | 7 | Yes | 1 | 0 | 0 |
| Tushaar Gautam# 01646487 | Executive Director | 7 | Yes | 1 | 0 | 1 |
| Vijay Kumar Chopra* 02103940 | Independent Director | 2 | NA | 3 | 2 | 5 |
| Som Mittal 00074842 | Independent Director | 7 | Yes | 3 | 2 | 0 |
| Ravindra Dhariwal 00003922 | Independent Director | 7 | NO | 3 | 0 | 4 |
| Anil Tandon 00089404 | Independent Director | 7 | Yes | 1 | 0 | 1 |
| Vijay Kumar Ahluwalia 08078092 | Independent Director | 7 | Yes | 1 | 0 | 1 |
| Meena Jagtiani 08396893 | Independent Director | 7 | Yes | 1 | 1 | 1 |

Mr. Rahul Gautam, Managing Director is husband of Mrs. Namita Gautam and father of Mr. Tushaar Gautam and are thus related.

The committees considered for the purpose are those prescribed under Regulation 26 of Listing Regulations i.e. Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies whether listed or not.

*Mr. Vijay Kumar Chopra retired on 6th June, 2022

Board Functioning and procedure

- Board Meeting Frequency and circulation of Agenda papers:** The Board and its Committees meet at regular intervals for discussion on agenda circulated well in advance by the Company. All material information is incorporated in the agenda for facilitating meaningful and focused discussion at the meeting. Where it is not practical to attach, or send the relevant information as a part of agenda papers, the same are tabled at the Meeting. To meet the business exigencies or urgent matters the resolutions are passed by the Directors by Circulation.

The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances. The Board reviewed compliance reports prepared by the Company periodically.

- Presentations by the Management:** The Senior Management of the Company is invited at the Board meetings to provide presentation/clarifications as and when necessary.

- Access to Employees:** The Directors bring an independent perspective on the issues deliberated by the Board. They have access to any information of the Company as they may need to discharge their duties and to any employee of the Company.

Availability of Information to Board members include:

- Annual operating plans and budgets and any updates thereof;
- Capital budgets and any updates thereof;
- Quarterly results of the Company and its operating divisions and business segments;
- Minutes of Meetings of the Audit Committee and other Committees of the Board;
- Recruitment and remuneration of senior officers below board level, including appointment and removal of Chief Financial Officer and the Company Secretary as per SEBI (LODR) Regulations 2015;
- Materially important show cause, demand, prosecution and penalty notices report;

7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
8. Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
9. Any issue which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
10. Details of any joint venture or collaboration agreement;
11. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
12. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.;
13. Sale of material nature, of investments, subsidiaries and assets which is not in the normal course of business;
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material; and
15. Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

Appointment/Re-appointment of Directors:

The information/details pertaining to Directors seeking appointment/re-appointment in the ensuing Annual General Meeting (AGM), is provided in the Notice for the AGM.

Audit Committee

The Committee comprises of Three Directors which include two Non-Executive Independent Directors and one Executive Director of the Company. The Chairman of the Committee is Mr Som Mittal a Non Executive Independent Director.

The constitution and terms of reference of the Audit Committee meet the requirements of Regulation 18 of the Listing Regulations read with the relevant provisions of the Companies Act, 2013. The Company Secretary is the Secretary to the Audit Committee.

Meetings and Attendance

The Audit Committee met 4 (four) times during financial year 2022-23 ended on 31st March, 2023 on 12 May, 2022, 02 August 2022, 08 November 2022 and 02 February, 2023.

The maximum gap between any two meetings was less than four months. The attendance of each Committee Member is as under:

| Name of the Members | No. of meetings | |
|---------------------------|-----------------|----------|
| | Held | Attended |
| Mr. Som Mittal (Chairman) | 4 | 4 |
| Mr. Ravindra Dhariwal | 4 | 4 |
| Mr. V. K. Chopra# | 1 | 1 |
| Mr. Tushaar Gautam | 4 | 4 |

Mr. Som Mittal, Chairman of the Audit Committee attended the 50th Annual General Meeting.

Mr. V. K. Chopra retired on 6th June, 2022

The terms of reference of the Committee are as under:

- (i) The Audit Committee shall have powers, which should include the following:
 - (a) To investigate any activity within its terms of reference;
 - (b) To seek information from any employee of the Company;
 - (c) To obtain outside legal or other professional advice; and
 - (d) To secure attendance of outsiders with relevant expertise, if it considers necessary.
- (ii) The role of the Audit Committee shall include the following:
 - (a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - (b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the Company and the fixation of audit fee;
 - (c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors of the Company;
 - (d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013;
 - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) Major accounting entries involving estimates based on the exercise of judgement by the management of the Company;

- (iv) Significant adjustments made in the financial statements arising out of audit findings;
 - (v) Compliance with listing and other legal requirements relating to financial statements
 - (vi) Disclosure of any related party transactions; and
 - (vii) Qualifications / modified opinion(s) in the draft audit report.
- (e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;
 - (f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - (g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - (h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
 - (i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
 - (j) Scrutiny of inter-corporate loans and investments;
 - (k) Valuation of undertakings or assets of the company, wherever it is necessary;
 - (l) Evaluation of internal financial controls and risk management systems;
 - (m) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - (n) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - (o) Discussion with internal auditors of any significant findings and follow up there on;
 - (p) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (q) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - (r) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - (s) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
 - (t) To review the functioning of the whistle blower mechanism;
 - (u) Approval of the appointment of the Chief Financial Officer of the Company (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 - (v) Overseeing the vigil mechanism including to whom directors and employee shall report in case of any concern; and
 - (w) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (iii) The Audit Committee shall mandatorily review the following information:
 - (a) Management discussion and analysis of financial condition and results of operations;
 - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
 - (c) Management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;
 - (d) Internal audit reports relating to internal control weaknesses;
 - (e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
 - (f) Statement of deviations:
 - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
 - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations;

- (g) review the financial statements, in particular, the investments made by any unlisted subsidiary.

Nomination and remuneration Committee

The Chairman of the Nomination and Remuneration Committee is Mr. Ravindra Dhariwal a Non-Executive Independent Director. The Committee comprises of the following Directors as on 31st March 2023.

1. Mr. Ravindra Dhariwal- Chairman, Independent Director
2. Mr. Som Mittal-Independent Director
3. Mrs. Meena Jagtiani- Independent Director

The constitution and term of reference of the Nomination and Remuneration Committee (NRC) meet the requirements of Regulation 19 of the Listing Regulations read with the relevant provisions of the Companies Act, 2013.

Meetings and Attendance

Nomination and remuneration Committee met 3 (three) times during financial year 2022-23 ended on 31 March, 2023 on 11 May, 2022, 23 September 2022 and 07 November 2022.

| Name of the Members | No. of meetings | |
|-------------------------------------|-----------------|----------|
| | Held | Attended |
| Mr. Ravindra Dhariwal (Chairman) | 3 | 3 |
| Mrs. Meena Jagtiani | 3 | 3 |
| Mr Som Mittal | 3 | 3 |
| Mr. V. K. Chopra# | 1 | 1 |

Mr. V. K. Chopra retired on 6th June, 2022

The terms of reference of the Committee are as under:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (b) Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- (c) Devising a policy on Board diversity;
- (d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report of the Company;
- (e) Analysing, monitoring and reviewing various human resource and compensation matters;
- (f) Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

- (g) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), usually consisting of a fixed and variable component;
- (h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (i) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (j) Administering the "Sheela Foam Employee Stock Option Scheme" (the "Plan");
- (k) Determining the eligibility of employees to participate under the Plan;
- (l) Granting options to eligible employees and determining the date of grant;
- (m) Determining the number of options to be granted to an employee;
- (n) Determining the exercise price under the Plan;
- (o) Construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan;
- (p) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
 - a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
 - b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable."
- (q) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

Stakeholders Relationship Committee

The Chairman of the Stakeholders Relationship Committee is Mrs. Meena Jagtiani, a Non-Executive Independent Director. The Committee comprises of the following Directors:

1. Mrs. Meena Jagtiani-Independent Director (Chairperson)
2. Mr. Anil Tandon-Independent Director
3. Mr. Vijay Kumar Ahluwalia- Independent Director

The constitution and term of reference of the Stakeholders Relationship Committee (SRC) meet the requirements of

Regulation 19 of the Listing Regulations read with the relevant provisions of the Companies Act, 2013.

Meetings and Attendance

Stakeholder Relationship Committee met 1 (one) time during financial year 2022-23 ended on 31 March, 2023 on 01 Nov 2022.

| Name of the Members | No. of meetings | |
|---|-----------------|----------|
| | Held | Attended |
| Mrs. Meena Jagtiani (Chairperson) | 1 | 1 |
| Mr. Anil Tandon | 1 | 1 |
| Lt. Gen (Dr.) Mr. Vijay Kumar Ahluwalia | 1 | 1 |

The terms of reference of the Committee are as under:

- Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints;
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and re-materialization of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time; and
- Overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services.

Details of Investor complaints

During the Financial Year ended on 31 March, 2023, the Company not received complaint from investors relating to non-allotment/transfer of Shares. Details of investor complaints received and resolved during the Financial Year are as follows:

| Opening Balance | Received | Resolved | Pending |
|-----------------|----------|----------|---------|
| Nil | Nil | Nil | Nil |

Corporate Social Responsibility Committee

The Chairperson of the Corporate Social Responsibility Committee is Mr. Anil Tandon a Non-Executive Independent Director. The Committee comprises following Executive and Non-Executive Independent Directors:-

- Mr. Anil Tandon-Independent Director (Chairperson)
- Lt. Gen (Dr.) Vijay Kumar Ahluwalia-Independent Director
- Mrs. Namita Gautam- Executive Director
- Mrs. Meena Jagtiani- Independent Director

Meetings and Attendance

Corporate Social Responsibility Committee met 1 (One) time during financial year 2022-23 ended on 31 March, 2023 on 11 May 2022.

| Name of the Members | No. of meetings | |
|-------------------------------------|-----------------|----------|
| | Held | Attended |
| Mr. Anil Tandon (Chairman) | 1 | 1 |
| Lt. Gen (Dr.) Vijay Kumar Ahluwalia | 1 | 1 |
| Mrs. Meena Jagtiani | 1 | 1 |
| Mrs. Namita Gautam | 1 | 1 |

The terms of reference of the Committee are as under:

- To formulate and recommend to the board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and make any revisions therein as and when decided by the Board;
- To recommend the amount of expenditure to be incurred on the activities referred to in Policy of company on CSR, Schedule VII of the Companies Act, 2013 and rules made there under and any amendment thereof ;
- To monitor the Corporate Social Responsibility Policy of the company from time to time; and
- To do such other acts, deeds and things as may be directed by the board and required to comply with the applicable laws."

Risk Management & ESG Committee

The Committee reconstituted as Risk Management & ESG Committee during the year. The Chairperson of the Risk Management & ESG Committee is Lt. Gen (Dr.) Vijay Kumar Ahluwalia a Non-Executive Independent Director. The Committee comprises following :

- Lt. Gen (Dr.) Vijay Kumar Ahluwalia- Independent Director
- Mr. Som Mittal- Independent Director
- Mr. Rakesh Chahar- Executive Director
- Mr. Tushaar Gautam-Executive Director
- Dr. Mahesh Narayanan N Gopalsamudram-Chief Operating Officer#

Dr. Mahesh Narayanan N Gopalsamudram were appointed on 2nd February, 2023.

Meetings and Attendance

Risk Management Committee met 2 (Two) times during financial year 2022-23 ended on 31 March, 2023 on 07 July 2022 and 21 Dec 2022.

| Name of the Members | No. of meetings | |
|-------------------------------------|-----------------|----------|
| | Held | Attended |
| Lt. Gen (Dr.) Vijay Kumar Ahluwalia | 2 | 2 |
| Mr. Rakesh Chahar | 2 | 2 |
| Mr. Tushaar Gautam | 2 | 2 |
| Mr. Som Mittal | 2 | 2 |

Committee Responsibilities and Authority

- The committee shall evaluate significant risk exposures of the company and assess management's actions to mitigate the exposures in a timely manner.
 - The committee will coordinate its activities with the audit committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice).
 - The committee shall make reports to the board, including with respect to risk management and minimization procedures.
- The board shall review the performance of the committee.
 - The committee shall have access to any internal information of the company necessary to fulfil its oversight role. The committee shall also have the authority to obtain advice and assistance from internal or external experts /advisors.
 - The committee shall advise management in connection with the development and implementation of ESG strategies to preserve and enhance long-term shareholder value and to promote stakeholder interests;
 - The committee shall report to the Board on current and emerging topics relating to ESG Matters that may affect the business, operations, performance, or public image of the Company or are otherwise pertinent to the Company and its stakeholders and, if appropriate, detail actions taken in relation to the same.
 - The committee shall advise the Board on stakeholder proposals and other significant stakeholder concerns relating to ESG Matters.
 - The role and responsibilities of the committee shall include such other items as may be prescribed by applicable law or the board in compliance with applicable law, from time to time.

General Body Meetings

Particulars of the last three General Meetings and Postal Ballot are as follows:

Annual General Meeting

| Year | Date & Day | Location | Time | Special Resolution |
|---------|------------------|--|----------|---|
| 2021-22 | 18th August 2022 | NA Through Video Conference ("VC") /Other Audio Visual Means ("OAVM") | 10.00 AM | 1. Reappointment of Mr. Rahul Gautam as managing Director, Mrs. Namita Gautam as whole-time director, for a period of five year. 2. Increase the tenure as Non-executive Independent director of Mr. Som Mittal, Mr. Anil Tandon, Mr. V.K. Ahluwalia and Mrs. Meena Jagtiani to 5 Year, 3. Approve the ESOP 2022. |
| 2020-21 | 20th Aug 2021 | NA Through Video Conference ("VC") /Other Audio-Visual Means ("OAVM") | 11.00 AM | Reappointment of Mrs. Meena Jagtiani as an Non executive independent director |
| 2019-20 | 14th Aug 2020 | NA Through Video Conference ("VC") /Other Audio-Visual Means ("OAVM") | 10.30 AM | No Special Resolution |

Extraordinary General Meeting

| Year | Date & Day | Location | Time | Special Resolution |
|------|------------|----------|------|--------------------|
| NIL | | | | |

Postal Ballot

| Year | Date & Day | Special Resolution |
|---------|------------|--|
| 2021-22 | 16/01/2023 | <ol style="list-style-type: none"> Resolution under section 180 (1) (a) of the Companies Act, 2013 for mortgage, hypothecate, pledge and or to create a charge. Resolution under section 180 (1) (c) of the Companies Act, 2013 to approve the borrowing limits of the Company Resolution under Section 186 of the Companies Act, 2013 to approve the loan/ guarantee/ investment limits of the Company |
| | 08/11/2022 | Issue of Bonus shares |
| 2020-21 | 15/01/2021 | <ol style="list-style-type: none"> Reappointment of Mr. Vijay Kumar Chopra as Non-Executive Independent Director of the Company for a period of one year. Reappointment of Mr. Som Mittal as Non-Executive Independent Director of the Company for a period of four year. Reappointment of Mr. Ravindra Dhariwal as Non-Executive Independent Director of the Company for a period of five year. Reappointment of Mr. Anil Tandon and Lt. Gen (Dr.) Vijay Kumar Ahluwalia as Non-Executive Independent Director of the Company for a period of three year. |

Means of Communication with Shareholders

a) Financial Results

The financial results of the Company are communicated to all the Stock Exchanges where the Company's equity shares are listed. The results are published in 'Financial Express' in English and 'Jansatta' in the vernacular language.

b) Website and email id for Investors

Detailed information on the Company's business and products; quarterly and annual financial results, Investor brief and the quarterly distribution of Shareholding are displayed on the Company's website. The company has designated the email id investorrelation@sheelafoam.com for its investors.

c) Intimation to Stock Exchanges:

The Company intimates stock exchanges all information which in its opinion are material & of relevance to the shareholders. The Company also submits electronically various compliance reports/statements periodically in

accordance with the provisions of the Listing Regulations on NSE and BSE's Electronic Filing Systems.

d) Teleconferences and Press conferences, Presentation etc.:

The Company held quarterly Investors Teleconferences and Press Conferences for the investors of the Company after the declaration of the Quarterly Results. The Company made presentations to institutional investors/analysts during the period which are available on the Company's website.

General Shareholder Information

(a) Annual General Meeting

Date & Day: 18th July, 2022, Tuesday

Time: 10:00 a.m.

Venue- E-meeting, through video conference ("VC")/other Audio visual means ("OAVM")

(b) Financial Year: April to March

(c) Listing on Stock Exchange

The Company's equity shares are listed at the following Stock Exchanges.

| Name and Address of Stock Exchanges | Stock Code |
|---|------------|
| BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 023. | 540203 |
| National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra€ Mumbai-400 051 | SFL |

Market Price Data/Stock Performance: FY 2022-23 ended on March 31, 2023

The Company is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The high low price during this period on the BSE and NSE was as under:-

| Month | Bombay Stock Exchange (BSE) (in ₹) | | National Stock Exchange (NSE) (in ₹) | |
|----------------|---------------------------------------|-------|---|-------|
| | High | Low | High | Low |
| April 2022 | 4054 | 3484 | 4055 | 3476 |
| May 2022 | 3648 | 2850 | 3649 | 2855 |
| June 2022 | 3084 | 2547 | 3019 | 2550 |
| July 2022 | 2911 | 2575 | 2923 | 2577 |
| August 2022 | 3045 | 2621 | 3048 | 2805 |
| September 2022 | 3420 | 2807 | 3423 | 2805 |
| October 2022 | 2893 | 2569 | 2920 | 2590 |
| November 2022 | 2993 | 2533 | 2948 | 2535 |
| December 2022 | 2750 | 1204* | 2800 | 1202* |
| January 2023 | 1308 | 1205 | 1295 | 1204 |
| February 2023 | 1269 | 1111 | 1274 | 1120 |
| March 2023 | 1176 | 905 | 1192 | 906 |

- Bonus in the ration of 1:1 were allotted share.

Stock Performance Graph



Registrar and Share Transfer Agent

Address:

Link Intime India Private Limited

Noble Heights, First Floor, Plot NH2

C-1 Block LSC, Near Savitri Market

Janakpuri, New Delhi-110058

Tel No : +91 1141410592,93,94

E-mail id : delhi@linkintime.co.in

Website : www.linkintime.co.in

Share Transfer System

The Company's share transfer authority has been delegated to the Company Secretary/ Registrar and Transfer Agent M/s Link Intime India Private Limited who generally has authority to approve and confirm the request for share transfer/ transmission/ transposition/ consolidation/ issue of duplicate share certificates/ sub-division, consolidation, remat, demat and perform other related activities in accordance with the Listing Agreement and SEBI (Depositories and Participants) Regulations, 1996.

Except Eleven shares all the shares of the company are in dematerialized form. As per the requirement of Regulation 40(9) of the Listing Regulations a certificate on half yearly basis confirming due compliance of share transfer/transmission formalities by the Company from Practicing Company Secretary has been submitted to Stock Exchanges within stipulated time.

Distribution of Equity Shareholding as on March 31, 2023

| Group of Shares | Number of Shareholders | % to total Shareholders | Number of Shares held | % to Total Shares |
|-----------------|------------------------|-------------------------|-----------------------|-------------------|
| 1-500 | 27289 | 98.4914 | 794996 | 0.8148 |
| 501-1000 | 197 | 0.711 | 139761 | 0.1432 |
| 1001-2000 | 76 | 0.2743 | 105375 | 0.1080 |
| 2001-3000 | 27 | 0.0974 | 64814 | 0.0664 |
| 3001-4000 | 15 | 0.0541 | 54414 | 0.0558 |
| 4001-5000 | 10 | 0.0361 | 46208 | 0.0474 |
| 5001- 10000 | 21 | 0.0758 | 148422 | 0.1521 |
| 10001 & above | 72 | 0.2599 | 96211626 | 98.6123 |
| Total | 27707 | 100.000 | 97565616 | 100.000 |

Shareholding Pattern as on March 31, 2023

| Category | Number of Shares held | %-Issued Capital |
|--|-----------------------|------------------|
| Promoter and Prompter Group | 71174174 | 72.95 |
| Mutual Funds | 21680407 | 22.22 |
| Insurance Companies | 9741 | 0.01 |
| Foreign Portfolio Investors(Corporate) | 3183734 | 3.26 |
| Non Resident Indians | 50315 | 0.05 |
| Non Resident (Non Repatriable) | 194665 | 0.20 |
| Clearing Members | 6131 | 0.01 |
| Other Bodies Corporate | 17866 | 0.02 |
| Body corp LLP | 64923 | 0.07 |
| Hindu Undivided Family | 68659 | 0.07 |
| Alternate Investment Funds | 52875 | 0.05 |
| Individual | 1062126 | 1.09 |
| TOTAL : | 97565616 | 100 |

Dematerialisation of Shares & Liquidity

As on March 31, 2023, all the equity share capital of the Company were held in dematerialised form except 11 shares. The ISIN allotted in respect of equity shares of ₹ 5/- each of the Company by NSDL/CDSL is INE916U01025.

Plant Locations of Sheela Foam Limited

| | |
|---|--|
| Plot No-51A, Udyog Vihar, Greater Noida, Dist. GautamBudh Nagar 201306 (Uttar Pradesh) | N.H 8, Near Bhilad Check Post Village- Talwada-Taluka Umergoan Dist: Valsad - 396105 (Gujarat) |
| Village- Habibpur, Noida Dadri Road Gautambudh Nagar-201304 | Survey No.-852, Medchal Industrial Area R.R.District-501401, Hyderabad (Telagana) |
| Village Mardanpur, Near Shamboo Teh. Rajpura, Dist. Patiala-140401 (Punjab) | MM-3, Phase-4, Sipcot Industrial Growth Centre, P.O.Palayam, Village:Perundurair, Erode- 638052 Tamilnadu |
| Mainthapal, Nahan Road Kalaamb, Dist. Sirmour, Himachal Pradesh-173030 | Kanchanjanga Integrated Hub P.O. Fatapukur, P.S.Rajganj, Dist. Jalpaiguri.Pin-735134(West Bengal) |
| Survey No.257, Saily, Umankui Road City- Silvassa,State-(U.T. Of DNH &DAMAN DIU) Pin code-396230 | 37/2, Site IV, Sahibabad Industrial Area, Ghaziabad Uttar Pradesh 201010 |

Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Practising Company Secretaries/Chartered Accountants carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form and in physical form.

Disclosures of Accounting Treatment

In the financial statements for the year ended March 31, 2023, the Company has followed the treatment as prescribed in the applicable Accounting Standards.

Related Party Transactions

During the year there was no materially significant related party transaction which may have potential conflict with the interest of the Company. The Company has formulated a Related Party Transaction policy which has been uploaded on its website at <http://www.sheelafoam.com>. Details of related party information and transactions are being placed before the Audit Committee from time to time. The omnibus approval is also obtained from the Board. The details of the related party transactions during the year have been provided in Note to the financial statements.

Details of Non-Compliance by the Company, penalties, stricture imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities or any matter related to capital markets.

The Company has complied with all the requirements of the Stock Exchanges/the Regulations and guidelines of SEBI and other Statutory Authorities on all matters relating to capital markets. No penalties or strictures have been imposed by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets during the last three years.

Whistle Blower Policy and Affirmation that no personnel has been denied access to the Audit Committee

The Company has established a vigil mechanism through a Whistle Blower Policy for directors and employees to report concerns

about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The mechanism provides for adequate safeguards against victimisation of director(s)/ employee(s) who express their concerns and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. During the year under review, no personnel was denied access to the Audit Committee.

Code for prevention of Insider Trading

The Company has instituted code on prevention of insider trading in compliance with the SEBI (Prohibition of Insider Trading) Regulations. The Code lays down the guidelines which advise on procedures to be followed and disclosures to be made, while dealing in shares of the Company and the consequences of the non-compliances.

Code of conduct for Directors and Senior Executives

The Company has laid down a Code of Conduct for all Board Members and the Senior Executives of the Company. The Code of conduct is available on the Company's website www.sheelafoam.com. The code of conduct was circulated to all the members of the Board and senior management personnel and they have affirmed their compliance with the said code of conduct for the financial year ended 31 March, 2023. A declaration to this effect signed by the Chairman & Managing Director is given below:

To

The Shareholders of Sheela Foam Limited.

Sub.: Compliance with Code of Conduct

I hereby declare that all the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors and applicable to them for the financial year ended 31 March, 2023.

Date: May 17, 2023

Place: Noida

Rahul Gautam

Chairman and Managing Director

MD/CFO Certification

The Managing Director & CFO have certified to the Board of Directors inter-alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting purpose as required under Regulation 17 (8) of Listing Regulations for the year ended March 31, 2023. The said certificate forms part of the Annual Report.

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The details of mandatory requirements are mentioned in this Report. The Company is in compliance with the requirements specified under Clause 49 of the Listing Agreements and regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations, as applicable, with regard to corporate governance.

Further, as required under the SEBI Regulations, the Company has executed fresh Listing Agreements with BSE Limited and National Stock Exchange of India Limited and has adopted Policy on Preservation of Documents, Archival Policy and Policy for determination of Materiality.

Modified opinion(s) in audit report

The opinion expressed by the Auditor in the audit report on the financial statements for the year ended March 31, 2023 is unmodified.

Compliance Certificate on Corporate Governance from the Auditor

The certificate dated May 17, 2023 from the Statutory Auditors of the Company confirming compliance with the Corporate Governance requirements as stipulated under Listing Regulations is annexed hereto.

The above report has been adopted by the Board of Directors of the Company at their meeting held on May 17, 2023.

CEO/CFO Certification

To
The Board of Directors
Sheela Foam Limited

Sub: CEO/CFO certification under Regulation 17 (8) of Listing Regulations

We, Rahul Gautam, Chairman and Managing Director, Mr. Amit Kumar Gupta, Group CFO certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) That there were no significant changes in internal control over financial reporting during the year;
 - (ii) That there were no significant changes in accounting policies during the year and
 - (iii) That there were no instances of significant fraud, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Rahul Gautam
Chairman and Managing Director

Amit Kumar Gupta
Group Chief Financial Officer

Place: Noida
Date: May 17, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Sheela Foam Limited
604 Ashadeep, 9 Hailey Road,
New Delhi-110001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Sheela Foam Limited** having CIN (L74899DL1971PLC005679) and having registered office at 604 Ashadeep, 9 Hailey Road, New Delhi 110001 (hereinafter referred to as the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| S.N. | Name of Director | DIN | Date of appointment in Company |
|------|-----------------------|----------|--------------------------------|
| 1 | Rahul Gautam | 00192999 | 01/04/1996 |
| 2 | Namita Gautam | 00190463 | 14/11/2003 |
| 3 | Rakesh Chahar | 00180587 | 14/11/2003 |
| 4 | Tushaar Gautam | 01646487 | 01/04/2007 |
| 5 | Vijay Kumar Chopra* | 02103940 | 07/06/2016 |
| 6 | Som Mittal | 00074842 | 07/06/2016 |
| 7 | Ravindra Dhariwal | 00003922 | 07/06/2016 |
| 8 | Anil Tandon | 00089404 | 07/06/2016 |
| 9 | Vijay Kumar Ahluwalia | 08078092 | 05/03/2018 |
| 10 | Meena Jagtiani | 08396893 | 08/04/2019 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

* Retired on 6th June 2022

For **AVA Associates**
Company Secretaries

Amitabh
Partner
CP: 5500
Membership No. A14190
UDIN: A014190E000326282

Place: Delhi
Date: May 17, 2023

Certificate on Compliance with the Regulations of Corporate Governance

To the Members of **Sheela Foam Limited**

We the Secretarial Auditor of **Sheela Foam Limited** (the Company) have examined the compliance of Corporate Governance for the year ended March 31, 2023 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of the Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 ('the Regulations') as amended from time to time.

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliances with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Practicing Company Secretaries' Responsibility

Our responsibility is limited to the examination of the procedures and the implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records and documents maintained by the Company as produced before us, for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

Based on our examination of relevant records and information and according to the explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, during the year ended March 31, 2023, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For AVA Associates
Company Secretaries

(Amitabh)

Partner

PCS 5500

Mem No 14190

UDIN: A014190E000326337

Place: Delhi

Date: May 17, 2023

Annexure-C

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

None; During the reporting period ended on 31st March 23 , all transactions were at Arms's length basis.

During the reporting period all other transactions are on arm's length basis.

| SL. No. | Particulars | Details |
|---------|---|---------|
| 1 | Name (s) of the related party & nature of relationship | NA |
| 2 | Nature of contracts/arrangements/transaction | NA |
| 3 | Duration of the contracts/arrangements/transaction | NA |
| 4 | Salient terms of the contracts or arrangements or transaction including the value, if any | NA |
| 5 | Justification for entering into such contracts or arrangements or transactions' | NA |
| 6 | Date of approval by the Board | NA |
| 7 | Amount paid as advances, if any | NA |
| 8 | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | NA |

2. Details of material contracts or arrangement or transactions at arm's length basis -

NONE; DURING THE REPORTING PERIOD, THERE WAS NO MATERIAL* CONTRACT OR ARRANGEMENT.

(*As defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction" means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the Company.)

- (a) Name(s) of the related party and nature of relationship: NA
- (b) Nature of contracts / arrangements / transactions: NA
- (c) Duration of the contracts / arrangements / transactions: NA
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA
- (e) Date(s) of approval by the Board, if any: NA
- (f) Amount paid as advances, if any: NA

Annexure-D

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2023

To,
The Members
Sheela Foam Limited
604 Ashadeep, 9 Hailey Road,
New Delhi-110001

We have conducted the secretarial audit of compliance with applicable statutory provisions and the adherence to good corporate practices by **Sheela Foam Limited** (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company (as listed in Annexure A) and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit.

We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st of March 2023, complied with the laws listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sheela Foam Limited for the financial year ended on 31st of March 2023 according to the provisions of:

- a. The Companies Act, 2013 (the Act) and the rules made thereunder;
- b. The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder;
- c. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- d. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- e. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”):-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- f. Other sector specific laws like the Petroleum Act, 1934 (“Petroleum Act”) and Petroleum Rules, 2002 (“Petroleum Rules”); Bureau of Indian Standards Act, 1986 (“BIS Act”) and Bureau of Indian Standards Act, 2016; Consumer Protection Act, 1986; Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Wastes Rules”) and Environmental laws and regulations and other laws applicable to manufacturing companies.
- g. Labour laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on a contractual basis as related to wages, gratuity, provident fund, ESIC, compensation and labour laws of the respective States where the Company operates.

The Listing Agreements entered into by the Company with the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) and the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:-

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. During the year Mr. Vijay Kumar Chopra ceased to be a director on 06.06.2022 on completion of his term of appointment. The CFO Mr. Nikhil Ghanshyam Datye resigned with effect from 05.12.2022.

Adequate notices were given to all the Directors to schedule the Board Meetings. Agendas and detailed notes on agendas were sent at least seven days in advance, except where it was called urgently, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions of the Board were carried out unanimously and Minutes of the meetings were recorded properly.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that:

1. The Company complied with the provisions of section 149 of the Companies Act, 2013, and rules thereunder. The Company at the end of the review period, has Five Independent Directors on the Board wherein one independent director is a woman.
2. The Committees of the Board, met to transact businesses during the year, as given below:-
 - a) Audit Committee - 4 times
 - b) Corporate Social Responsibility Committee- 1 time
 - c) Nomination and Remuneration Committee -3 times
 - d) Stakeholders Relationship Committee- 1 time
 - e) Risk Management Committee - 2 times
3. All regulatory reporting, including but not limited to the filing due with the stock exchanges listed, SEBI, Reserve Bank of India (RBI) and the Ministry of Corporate Affairs (MCA) was done regularly.
4. We further report that during the reporting period, the company has
 - i. Issued Bonus Equity Shares to the existing shareholders of the company to the tune of ₹ 487,82,808 equity shares of ₹ 5/- each;
 - ii. Increased its authorised capital from ₹ 44,01,05,000.00 to ₹ 100,00,00,000.00;
 - iii. The company issued an Employees Stock Option plan;
 - iv. The company has initiated the process of amalgamation of International Comfort Technologies Pvt Ltd, a subsidiary company with itself, and approved the scheme therefore.
5. Our report is to be read along with the representations disclosed in Annexure B.

For **AVA Associates**
Company Secretaries

(Amitabh)
Partner
CP: 5500

Place: Delhi
Date: May 17, 2023

UDIN: A014190E000326227
PR No: 1478/2021

Annexure A- List of Documents Verified

1. Memorandum & Articles of Association of the Company.
2. Annual Reports of the Company.
3. Minutes of the meetings of the Board of Directors and the committees thereof (along with Attendance Register) held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Statutory Registers under the Companies Act, 2013.
6. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of section 184 of the Companies Act, 2013.
8. E-Forms and documents filed by the Company, from time-to-time, under applicable provisions of Companies Act, 2013 and listing agreement and securities regulation laws along with the attachments thereof during the financial year under report.
9. Registers and returns maintained under various applicable labour laws.
10. Other State specific laws.
11. Intimations / documents / reports / returns filed/ under the provisions of sectoral laws related to manufacturing of PUF, Foam and other products during the financial year under report.
12. Filings made with Reserve Bank of India under the Foreign Direct Investment Guidelines

Annexure B- Responsibility Statement

To,
The Members
Sheela Foam Limited
604 Ashadeep, 9 Hailey Road,
New Delhi-110001

Our report is to be read along with the following:

Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we follow provide a responsible basis for our opinion.

We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.

Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and the happening of events, etc.

Compliance with the provision of corporate and other applicable laws, rules, regulations, and standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.

The secretarial audit report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **AVA Associates**
Company Secretaries

(Amitabh)
Partner
CP: 5500

Place: Delhi
Date: May 17, 2023

UDIN: A014190E000326227

Annexure-E

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES FOR THE YEAR 2022-23: Annexure II.

1. Brief outline on CSR Policy of the Company.

The company is committed to society for improving quality of life of people living in under privileged area especially those from socially and economically backward areas. Company's CSR efforts shall focus on Education, Employability and Health for relevant target groups, ensuring diversity and giving preference to needy and deserving people inhabiting in rural India. The Company has adopted Corporate Social Responsibility (CSR) Policy. The policy has been uploaded on the website of the Company www.sheelafoam.com. The various programme includes Education, Swachh Bharat, community, rural development and all the Government Notified Fund. The Company has a CSR arm, Sleepwell Foundation(Trust). It has been promoting education, skill development, wellness, cleanliness, since 2001.

During the year under review the CSR initiatives have been made mainly in the area of education, healthcare, sanitation and eradicating hunger, poverty and malnutrition.

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|-------------------------------------|--------------------------------------|--|--|
| 1 | Mr. Anil Tandon | Chairman | 1 | 1 |
| 2 | Lt. Gen (Dr.) Vijay Kumar Ahluwalia | Member | 1 | 1 |
| 3 | Mrs. Namita Gautam | Member | 1 | 1 |
| 4 | Mrs. Meena Jagtiani | Member | 1 | 1 |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

www.sheelafoam.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

NA

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be set-off for the financial year, if any (in ₹) |
|---------|----------------|--|---|
| 1 | NA | NA | NA |

6. Average net profit of the company as per section 135(5).

₹ 23,800.89 Lakhs

7. (a) Two percent of average net profit of the company as per section 135(5) ₹ 476.02 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NA

(c) Amount required to be set off for the financial year, if any : NA

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 476.02

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in ₹) | Amount Unspent (in ₹) | | | | |
|--|--|-------------------|--|---------|-------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount. | Date of transfer. | Name of the Fund | Amount. | Date of transfer. |
| ₹ 523.02 Lakhs | NIL | NA | NA | NIL | NA |

(b) Details of CSR amount spent against ongoing projects for the financial year: (₹ In Lakhs)

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|--------------|---|--|----------------------|--|-----------|-------------------|--|--|---|---|--|--------------------------|
| Sl. No. | Name of the Project. | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the project. | | Project duration. | Amount allocated for the project (in ₹). | Amount spent in the current financial Year (in ₹). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹). | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency | |
| | | | | State. | District. | | | | | | Name | CSR Registration number. |
| 1. | Education/ Skill Development / Health Care | Promoting Education including employment enhancing vocational skills, conducting wellness awareness programme, contributing sanitation programme | Y | Delhi, Uttar Pradesh, Uttrakhand, Himachal Pradesh, Chandigarh, Telengana, West Bengal, Gujarat and Madhya Pradesh | | Yearly allocation | 275.00 | 275.00 | NIL | No (Through Sleepwell Foundation) | NA | NA |
| 2. | Health Care/ Education/ Skill Development / Art and Culture | Proving Health Support, Promoting Education including employment enhancing vocational skills | Y | Uttar Pradesh, Uttarakhand, Delhi, Himachal Pradesh, Gujarat and Chandigarh | | General | 248.02 | 248.02 | NIL | Yes | NA | NA |
| Total | | | | | | | 523.02 | 523.02 | NIL | | | |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---------|---------------------|--|----------------------|--------------------------|-----------|--------------------------------------|---|---|--------------------------|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/No). | Location of the project. | | Amount spent for the project (in ₹). | Mode of implementation - Direct (Yes/No). | Mode of implementation - Through implementing agency. | |
| | | | | State. | District. | | | Name. | CSR registration number. |
| 1. | NA | NA | NA | NA | NA | NA | NA | NA | NA |

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 523.02 Lakhs

(g) Excess amount for set off, if any

| Sl. No. | Particular | Amount (in ₹) |
|---------|---|---------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 476.02 Lakhs |
| (ii) | Total amount spent for the Financial Year | 523.02 Lakhs |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 47 Lakhs |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 47 Lakhs |

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (in ₹) |
|---------|---------------------------|--|--|--|----------------|-------------------|--|
| | | | | Name of the Fund | Amount (in ₹). | Date of transfer. | |
| 1. | NA | NA | NA | NA | NA | NA | NA |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---------|-------------|----------------------|--|-------------------|--|---|--|--|
| Sl. No. | Project ID. | Name of the Project. | Financial Year in which the project was commenced. | Project duration. | Total amount allocated for the project (in ₹). | Amount spent on the project in the reporting Financial Year (in ₹). | Cumulative amount spent at the end of reporting Financial Year. (in ₹) | Status of the project - Completed / Ongoing. |
| 1 | NA | NA | NA | NA | NA | NA | NA | NA |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(Asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s). NA
- (b) Amount of CSR spent for creation or acquisition of capital asset. NA
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NA
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). NA

Sd/-
(Managing Director or Director)

Sd/-
(Chairman CSR Committee)

Annexure-F

Particulars of Employees

Particulars of Employees Pursuant to Section 197(12) of the Companies Act, 2013 Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i) The percentage increase in remuneration of each Director, the CFO and the CS during the Financial Year 2023, ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2023.

ii)

| Name and Designation | Remuneration for Financial Year 2023 (₹ in Lakhs) | % increase/ (Decrease) of remuneration in the Financial Year 2023 | Ratio of remuneration to Median Remuneration |
|---|---|---|--|
| Executive Director | | | |
| Mr. Rahul Gautam Managing Director | 420.70 | (2.59) | 145 |
| Mrs. Namita Gautam Wholetime Director | 223.76 | (2.39) | 77 |
| Mr. Rakesh Chahar Wholetime Director | 221.18 | (2.47) | 76 |
| Mr. Tushaar Gautam Wholetime Director | 231.38 | (2.16) | 80 |
| Non Executive Independent Director | | | |
| Mr. Vijay Kumar Chopra # Non Executive Independent Director | 2.75 | NA | 9 |
| Mr. Som Mittal Non Executive Independent Director | 30.00 | 17.65 | 10 |
| Mr. Ravindra Dhariwal Non Executive Independent Director | 27.75 | 9.90 | 9 |
| Mr. Anil Tandon Non Executive Independent Director | 24.75 | 25.32 | 8 |
| Lt. Gen (Dr.) Vijay Kumar Ahluwalia Non Executive Independent Director | 26.00 | 20.93 | 9 |
| Mrs. Meena Jagtiani Non Executive Independent Director | 26.25 | 23.52 | 9 |
| Key Managerial Personnel | | | |
| ##Mr. Nikhil Datye, Group CFO | 93.93 | NA | NA |
| Mr. Md Iqubal Ahmad Company Secretary | 23.71 | 26 | 8 |

#Mr. Vijay Kumar Chopra retired on 6th June, 2022

##Mr. Nikhil Datye was resigned as Group CFO w.e.f 05th December 2022.

Note:

- The remuneration of the non-executive Independent directors includes sitting fees for attending Board/Committee meetings and since they were appointed during the mid of the last financial year or this Financial Years there is no comparison for % increase in remuneration.
- The employee and the salary details hereinafter provided are for employees excluding trainees.
- The median remuneration of employees during the financial year was ₹ 2,90,731
- In the financial year, there was an decrease of 3 % in the median remuneration of employees.
- Number of permanent employees on the role of the Company as on 31.03.2023 is 1,914
- The remuneration is as per the remuneration policy of the company.

Annexure-G

Particulars of Employees Pursuant to Section 197(12) of the Companies Act, 2013 Read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| Name and Designation | Remuneration for FY 21 (₹ in Lakhs) | Experience (in years) | Educational Qualification | Previous employment and designation |
|---------------------------------|--|----------------------------------|--------------------------------------|--|
| Dr. Mahesh N Gopalamudram (COO) | 143.48 | 24 | PhD | Manali Petrochemical |

Annexure-H

DIVIDEND DISTRIBUTION POLICY

1. Preamble

This Policy is drawn by the management to strike the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.;

2. Company's View

The view of the Company is to maximise the shareholders' wealth in the Company through various means. The Company believes that driving growth creates maximum shareholder value. Thus, the Company would first utilise its profits for working capital requirements, capital expenditure to meet expansion needs, reducing debt from its books of accounts, earmarking reserves for inorganic growth opportunities and thereafter distributing the surplus profits in the form of dividend to the shareholders.

3. Regulatory Framework

The Securities Exchange Board of India ("SEBI") on July 8, 2016 inserted Regulation 43A in SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy.

4. Parameters for declaration of Dividend

In line with the company's view stated above in Clause 2, the Board of Directors of the Company, shall consider the following parameters for declaration of Dividend:

Financial Parameters / Internal Factors:

The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

- Consolidated net operating profit after tax;
- Working capital requirements;
- Capital expenditure requirements;
- Resources required to fund acquisitions and / or new businesses
- Cash flow required to meet contingencies;
- Outstanding borrowings;
- Past Dividend Trends

External Factors:

The Board of Directors of the Company would consider the following external factors before declaring or recommending dividend to shareholders:

- Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws;
- Dividend pay-out ratios of companies in the same/similar industry.

Circumstances under which the shareholders may or may not expect Dividend:

The shareholders of the Company may not expect Dividend under the following circumstances:

- Whenever the Company undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- Significantly higher working capital requirements adversely impacting free cash flow;
- Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;
- Whenever it proposes to utilise surplus cash for buy-back of securities; or
- In the event of inadequacy of profits or whenever the Company has incurred losses.

Utilization of retained earnings:

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

5 Procedures

- The Chief Financial Officer in consultation with the MD of the Company shall recommend any amount to be declared/ recommended as Dividend to the Board of Directors of the Company.
- The agenda of the Board of Directors where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal.
- Pursuant to the provisions of applicable laws and this Policy, interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders approval, at the ensuing Annual General Meeting of the Company.
- The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.

6 Disclosure: The Company shall make appropriate disclosures as required under the SEBI Regulations.

7 General

- This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.
- The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.
- In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Annexure I

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity

| | | |
|----|---|--|
| 1 | Corporate Identity Number (CIN) of the Company | L74899DL1971PLC005679 |
| 2 | Name of the Company | Sheela Foam Limited |
| 3 | Year of incorporation | 1971 |
| 4 | Registered office address | 604, Ashadeep 9 Hailey Road New Delhi-110001 |
| 5 | Corporate office address | 14, Sector 135, Noida, U.P-201301 |
| 6 | E-mail ID | investorrelation@sheelafoam.com |
| 7 | Telephone | +91 11 22026875 |
| 8 | Website | http://www.sheelafoam.com/ |
| 9 | Financial year for which reporting is being done | 1st April 2022 to 31st March 2023 |
| 10 | Name of the Stock Exchange(s) where shares are listed | National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) |
| 11 | Paid-up Capital | ₹ 48,78,28,080 |
| 12 | Name and contact details of the person who may be contacted in case of any queries on the Business Responsibility and Sustainability Report (BRSR) | |
| | Name of the Person | Md. Iquebal Ahmad (Company Secretary) |
| | Telephone | +911122026875 |
| | Email address | iquebal.ahmad@sheelafoam.com |
| 13 | Reporting Boundary | |
| | Type of Reporting (Standalone / Consolidated) | Disclosures made in this report are on a standalone basis |

II. Product/Services:

14 Details of business activities (accounting for 90% of the turnover)

| S. No. | Description of Main Activity | Description of Business Activity | % Turnover of the Entity |
|--------|------------------------------|--|--------------------------|
| 1 | Sale of products | Polyurethane Foam, Mattress, Pillow, Cushion and Home Comfort Products | 99.69% |

15 Products/Services sold by the Company (accounting for 90% of the entity's Turnover)

| S. No. | Product/Service | NIC Code | % of Total Turnover contributed |
|--------|--|----------|---------------------------------|
| 1 | Polyurethane Foam, Mattress, Pillow, Cushion and Home Comfort Products | 31005 | 99.69% |

III. Operations

16 Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of plants | No. of Offices | Total |
|---------------|------------------|----------------|-------|
| National | 11 | 1 | 12 |
| International | - | - | - |

17 Market served by the entity

- No. of Locations
- What is the contribution of exports as a percentage of the total turnover of the entity?
- A brief on type of Customers

| Locations | Numbers |
|----------------------------------|---|
| National (No. of States) | Pan-India |
| International (No. of Countries) | 8 (USA, Australia, UAE, EU, Saudi Arabia, Sri Lanka, Bangladesh and Nepal.) |
| | 1.9% |

Sheela Foam Limited serves a diverse range of customers across various sectors. The customer base includes but is not limited to: Wholesalers, Traders, End Consumers, Institutions, Government Departments, B2B Customers, Online Market Place etc.

IV. Employees

18. Details as at the end of financial year 2022-23:

| S. No. | Particulars | Total (A) | Male | | Female | |
|-----------|--|-------------|-------------|-------------|------------|------------|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| a. | Employees (including differently abled) | | | | | |
| | Employees | | | | | |
| 1 | Permanent (A) | 666 | 612 | 92% | 54 | 8% |
| 2 | Other than Permanent (B) | 41 | 25 | 61% | 16 | 39% |
| 3 | Total (A+B) | 707 | 637 | 90% | 70 | 10% |
| b. | Workers (including differently abled): | | | | | |
| | Workers | | | | | |
| 1 | Permanent (E) | 1256 | 1197 | 95% | 59 | 5% |
| 2 | Other than Permanent (F) | 783 | 741 | 95% | 42 | 5% |
| 3 | Total (E+F) | 2039 | 1938 | 95% | 101 | 5% |
| c. | Differently abled Employees | | | | | |
| | Employees | | | | | |
| 1 | Permanent | 1 | 1 | 100% | 0 | 0% |
| 2 | Other than Permanent | 0 | 0 | 0% | 0 | 0% |
| 3 | Total | 1 | 1 | 100% | 0 | 0% |
| d. | Differently abled Workers: | | | | | |
| | Workers | | | | | |
| 1 | Permanent | 0 | 0 | 0% | 0 | 0% |
| 2 | Other than Permanent | 0 | 0 | 0% | 0 | 0% |
| 3 | Total | 0 | 0 | 0% | 0 | 0% |

19. Participation/Inclusion/Representation of women

| S. No. | Category | Total (A) | No. and % of females | |
|--------|----------------------------|-----------|----------------------|---------|
| | | | No. (B) | % (B/A) |
| 1 | Board of Directors | 9 | 2 | 22% |
| 2 | Key Management Personnel * | 2 | 0 | 0% |

* KMPs include Chief Financial Officer and Company Secretary

20. Turnover rate for permanent employees and workers

| Category | FY 2022-23 (Turnover rate in current FY) | | | FY 2021-22 (Turnover rate in current FY) | | | FY 2020-21 (Turnover rate in current FY) | | |
|---------------------|---|--------|--------|---|--------|--------|---|--------|--------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 12.00% | 7.50% | 11.65% | 11.22% | 8.42% | 11.02% | 8.94% | 14.17% | 9.39% |
| Permanent Workers | 5.71% | 8.40% | 5.83% | 5.89% | 1.61% | 5.96% | 12.90% | 15.27% | 13.02% |

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21 (a) Names of holding / subsidiary / associate companies / joint ventures

| S. No | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether it is a Holding / Subsidiary / Associate / or Joint Venture | No. of Offices | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|-------|---|--|----------------|--|
| 1. | Joyce Foam Pty. Limited, Australia | Subsidiary | 100% | No |
| 2. | Divya Software Solutions (P) Ltd., India | Subsidiary | 100% | No |
| 3. | Sleepwell Enterprises (P) Ltd., India | Subsidiary | 100% | No |
| 4. | International Foam Technologies SL, Spain | Subsidiary | 100% | No |
| 5. | Staqo World Pvt. Ltd., India | Subsidiary | 100% | No |
| 6. | International comfort Technologies Private Limited, India | Subsidiary | 100% | No |

VI. CSR Details:

22 a. Whether CSR is applicable as per the provision of Section 135 of Companies Act, 2013:

| | Yes |
|-------------------------|----------|
| Turnover (₹ in Crores) | 2019.82 |
| Net worth (₹ in Crores) | 1,395.57 |

VII. Transparency and Disclosures Compliances

23 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) If Yes, then provide web-link for grievance redress policy | FY 2022-23 Current Financial Year | | | FY 2021-22 (Turnover rate in current FY) | | |
|---|---|--|--|---------|---|--|---------|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | There is a dedicated email id for the communities to communicate their grievances. grievances@sleepwellfoundation.com | Nil | Nil | NA | Nil | Nil | NA |
| Investors (other than shareholders) | Investors can write about their grievances to the Compliance Officer of the Company at investorrelations@sheelafoam.com and there is webpage for investor contacts. https://sheelafoam.com/investor-contacts.html | Nil | Nil | NA | Nil | Nil | NA |
| Shareholders | Shareholders can raise their grievances through the SEBI Scores portal and through BSE/NSE | Nil | Nil | NA | Nil | Nil | NA |
| Employees and workers | Internal employee grievance mechanism is in place. Grievances are resolved on a monthly basis through an HR Help Desk. | Nil | Nil | NA | Nil | Nil | NA |

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) If Yes, then provide web-link for grievance redress policy | FY 2022-23 Current Financial Year | | | FY 2021-22 (Turnover rate in current FY) | | |
|---|--|--|--|---------|---|--|---------|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Consumers* | Consumer Complaints are attended at centralized customer care center and are resolved expeditiously. Toll-free number: 18005705700 E-mail id: care@mysleepwell.com | 35264 | 640 | NA | 41644 | 549 | NA |
| Value Chain Partners | Our value chain partners can contact the procurement team, Quality & Assurance team or Product development team in case of any issue/grievances. | Nil | Nil | NA | Nil | Nil | NA |

Note: Consumers include distributors also.

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format

| Sr. No. | Material Issue Identified (High priority material issues are listed below) | Indicate whether risk or opportunity | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---------|--|--------------------------------------|--|--|--|
| 1 | Climate Change | Risk | The operations and business of an organization can be directly affected by critical sustainability risks such as climate change, water security, plastic waste, supply chain disruption, and sourcing challenges. Additionally, there are regulatory and transition market risks associated with the transition to a low-carbon economy. These risks encompass changing consumer preferences, increased product costs, and future government policies and regulations. | <ol style="list-style-type: none"> SFL's main consumption consists of Polyol, Polymer polyol, and Isocyanate in large quantities. The objective is to enhance bulk shipment and storage, aiming to minimize transportation impact and minimize excessive packaging. Introducing block compression for interunit transfers and utilizing Bed in a Box (BIAB) when feasible will optimize space utilization, enhance delivery efficiency, and decrease the carbon footprint. Variable Pressure Foaming (VPF) is the only closed loop slab Polyurethane foaming process available today. While it helps in manufacture of products that are differentiated as well as uses less chemicals and zero physical blowing agent in manufacturing. The role of the physical blowing agent is done by Vacuum. While predominantly the process emission is only carbon-dioxide any trace volatile organics are also extracted by the activated charcoal that is part of the closed loop equipment. It is the most sustainable next generation foam processing technique. The Company is invested deeply with second equipment expected to be fully operational in India. Overseas operations in Spain and Australia are also capitalizing on this technology. | Initiatives and endeavors aimed at mitigating climate change risks may result in additional costs in the short-to-medium term. However, these costs can be partially offset by long-term efficiency improvements. Moreover, these initiatives enhance business resilience and safeguard long-term value. |

| Sr. No. | Material Issue Identified (High priority material issues are listed below) | Indicate whether risk or opportunity | Rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---------|--|--------------------------------------|--|---|--|
| 2 | Energy Management | Opportunity | Energy management presents a strategic opportunity for a company like ours to reduce costs, enhance competitiveness, comply with regulations, improve reputation, drive innovation, and foster collaborations in the pursuit of sustainable and efficient operations. | <ol style="list-style-type: none"> 1. The company's objective is to decrease reliance on power supplied by the Electricity Board (NPCL) by transitioning to solar energy electricity. Several units have already been successfully converted to solar energy. 2. Within the next 6 months, we plan to replace diesel gen-sets with PNG (Piped Natural Gas) in the NCR region, using retrofitted devices. The remaining units will undergo assessment to determine the feasibility of accessing PNG supply from the government. | Implementing effective energy management practices can help reduce energy consumption and lower operational costs. Upon implementation of energy-efficient technologies and processes, optimizing equipment performance, and minimizing energy waste at all units, the company will significantly save on energy expenses. |
| 3 | Waste Management | Opportunity | By embracing waste management as an opportunity, we can reduce costs, enhance sustainability, comply with regulations, drive innovation, and contribute to a more circular economy. This not only benefits the company's bottom line but also strengthens its reputation and position in the market. | <ol style="list-style-type: none"> 1. With a timeline of over 12 months, the company is focused on streamlining packaging processes by adopting a unified layering approach that facilitates recycling and eliminates PVC packaging. Prototypes will be developed and presented internally for approval. The objectives include introducing recyclable packaging, reducing plastic consumption, and enhancing productivity. This initiative involves the elimination of PVC, resulting in reduced usage, improved recyclability, and increased efficiency. 2. The company has successfully implemented a comprehensive recycling program for polythene and plastic materials utilized in product packaging, aiming to achieve 100% recycling rates. 3. The company is committed to a paperless mission to conserve paper, trees, and water resources. Significant progress has already been made by digitizing invoices, packing lists, planning documents, and gate records. The next phase involves establishing a paperless shop floor and eventually transitioning the entire organization into a paperless environment. | While there is increased cost of developing sustainable packaging alternatives but in the long run, the recycling and sustainable ways of packaging will be beneficial to the organization. |
| 4 | Human Rights | Risk | Adverse financial and reputational consequences may arise from instances of human rights violation or failure to comply with statutory norms. | <ol style="list-style-type: none"> 1. To cultivate a culture of trust, comprehensive policies and procedures, including the Code of Business Conduct, Whistle Blower Policy, Policy of SFL towards Society, and POSH policy, are implemented. 2. Measures are in place to prevent workforce discrimination, sexual harassment, and ensure a free and fair working environment for employees. | Human rights violations and regulatory non-compliance can cause reputation and financial implications |
| 5 | Human Capital Development | Opportunity | The success of the Company's operations relies on the ongoing dedication, skills, and expertise of its corporate and divisional executive teams, as well as other highly qualified employees who possess extensive knowledge in business, technology, and operations. The market for skilled professionals is highly competitive, and there is no guarantee that the Company will be able to retain these employees or recruit and train suitable replacements without incurring significant costs or experiencing delays. | <ol style="list-style-type: none"> i. Investing in training and development programs ii. Offering opportunities for growth and development demonstrates our commitment to our employees' professional growth. iii. Building a robust talent pipeline across responsibility levels through requisite quality in key roles. iv. Maintaining the wages more than minimum wage as per applicable code. v. The company tries to maintain an employee friendly work environment. | Human Capital Development can improve the skills and knowledge of employees. This can lead to increased productivity, improved product quality, and operational efficiency within the company. |
| 6 | Occupational Health & Safety | Risk | Providing comprehensive training on safety procedures, compliance regulations, and ethical practices fosters a secure work environment, reduces accidents, ensures adherence to regulatory requirements, and safeguards the company against legal and reputational risks. | The company has established an On-site Emergency Control Plan, encompassing bi-annual mock drills involving government authorities and neighboring large industries. Additionally, regular safety training sessions are conducted, and all employees at the manufacturing plants are equipped with necessary safety gear. | Non-adherence to the health and safety protocols can impact on health and well-being of employees at the Company. |
| 7 | Product Quality & Safety | Risk | Implementing robust quality control measures and adhering to safety regulations are vital in order to prevent product recalls, mitigate legal repercussions, and safeguard SFL's reputation. It is crucial for us to not only maintain our own adherence to these standards but also ensure that our suppliers and partners uphold similar quality and safety practices. | SFL guarantees compliance with Restriction of Hazardous Substances (RoHS) and REACH regulations, ensuring that all produced foams meet the required standards without the utilization of restricted or harmful chemicals. The company has incorporated NeemFresche technology, sourced from sustainable coconut plantations. This innovative solution physically eliminates pathogens and maintains long-lasting effectiveness. Unlike other protectants, NeemFresche forms durable bonds with cellular structures, ensuring continued protection even with prolonged use and frequent washes. Moreover, NeemFresche has no adverse environmental impact, making it safe for use without any leaching into the air, soil, or water. | Enhancing product quality always provide an enhancement to brand presence and reputation, |

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--|--|-----|-----|-----|-----|-----|-----|-----|-----|
| Policy and Management Processes | | | | | | | | | |
| 1 a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| c. Web Link of the Policies, if available | Some of our policies are available at https://www.sheelafoam.com/investor.html . Other internal policies are placed on the intranet of the Company and are open to access by the relevant stakeholders. | | | | | | | | |
| 2 Whether the entity has translated the policy into procedures. (Yes / No) | The Company has translated the policies and incorporated the principles in its processes and procedures, as applicable. | | | | | | | | |
| 3 Do the enlisted policies extend to your value chain partners? (Yes/No) | The Company is in the process of documenting a Supplier's / Vendor's Code of Conduct that will largely cover the abovementioned principles, and the Company expects its suppliers/vendors to follow the same | | | | | | | | |
| 4 Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | ISO 9001, ISO 27001, ISO 20000-1, IATF 16949, LEED Certificate for corporate office, SEDEX, BIS Product Certification License IS 7953: 1975, Great Place To Work | | | | | | | | |
| 5 Specific commitments, goals and targets set by the entity with defined timelines, if any. | <ol style="list-style-type: none"> 1. Eliminate PVC from all our packaging 2. All the polythene or plastic used in packaging of the products must be 100% recycled. 3. Going paperless in our operations | | | | | | | | |
| 6 Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | <p>We constantly monitor the performance towards ESG Goals and take adequate actions wherever required. We have a robust governance mechanism to monitor the progress of these goals. Various initiatives undertaken by the company to achieve sustainability goals include:</p> <ol style="list-style-type: none"> 1. PVC has been eliminated from all our packaging. 2. Simplifying packaging from current multi-layer format to similar material layering for ease of recycling. 3. We have digitized our invoicing, packing lists, planning documents and gate records. We aim to make our shop floor completely paperless. | | | | | | | | |
| Governance, Leadership and Oversight | | | | | | | | | |
| 7 Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements Mr. Rahul Gautam (Chairman & Managing Director) As a value-driven and ethical organization, we are committed to embedding sustainability into our business and we will prioritize ESG considerations in our decision-making processes at Sheela Foam. This year we are also publishing the Business Responsibility and Sustainability Report (BRSR). We believe that this will enhance trust and transparency with our stakeholders. We are excited about the potential for positive impact and are dedicated to creating a more sustainable future for our company, our stakeholders, and the planet. | | | | | | | | | |
| 8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Mr. Rahul Gautam, Chairman & Managing Director (DIN: 00192999) | | | | | | | | |
| 9 Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | <p>Yes. The company has extended the 'Risk management committee' to 'Risk Management and ESG committee' to be responsible for decision making on sustainability related issues. The Risk management and ESG committee comprises of 5 members.</p> <p>Mr. Vijay Kumar Ahluwalia : Chairperson Mr. Som Mittal : Member Mr. Rakesh Chahar : Member Mr. Tushaar Gautam : Member Dr. Mahesh Narayanan Gopalamudram : ESG controller</p> | | | | | | | | |

10. Details of Review of NGRBCs by the Company:

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify) | | | | | | | | |
|--|---|----|----|----|----|----|----|----|----|--|----|----|----|----|----|----|----|----|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action | Policies, wherever stated, have been approved by the Board / functional heads. Polices are reviewed as and when required. | | | | | | | | | | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | The Company is in compliance with all the statutory laws and regulations as applicable. Further, the compliance monitoring is done regularly. | | | | | | | | | | | | | | | | | |

| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--|--|----|----|----|----|----|----|----|----|
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency | No, however, the Managing director along with the board evaluates the implementation of the policies. Polices are reviewed at periodic intervals depending on the statutory requirements or on need basis. | | | | | | | | |

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Not applicable since the policies and procedures of the Company cover all principles of NGRBCs

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

| Segment | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|--|--|--|--|
| Board of Directors Key Management Personnel | 12 | During the reporting year, the company presented a note on business review and a presentation on the business developments and financial performance of the Company to the Board and Management on a regular basis, to keep them apprised of the latest developments. The topics include but are not limited to risk management and mitigation plans, customer complaint management, sales and marketing, finance, inventory management and procurement, treasure management, information technology, online sales, production plan execution and control, export opportunities etc. | 93% |
| Employees other than BODs and KMPs | 14 | <ol style="list-style-type: none"> 1. Communication and listening 2. Workshop on Major Accidents and Hazards Control, 3. Employee health and safety - Fire safety, electrical safety, etc. 4. POSH (Prevention of Sexual Harassment) 5. Slabstock PU Foam 6. Enhancing safety through effective leadership 7. Cyber Security | 51% |
| Workers (Contractual) | | On the job trainings are mandatory. No special trainings | |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

| a. Monetary | | | | | |
|-----------------|-----------------|---|-----------------|-------------------|--|
| Type | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine | | | | | |
| Settlement | | | Nil | | |
| Compounding fee | | | | | |

| b. Non-Monetary | | | | | |
|-----------------|-----------------|---|-------------------|--|--|
| Type | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the case | Has an appeal been preferred? (Yes/No) | |
| Imprisonment | | | | | |
| Punishment | | | Nil | | |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|----------------|---|
| Not applicable | Not Applicable |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, Sheela Foam Limited has an anti-corruption and bribery policy as a part of our internal general policies. It is our policy to conduct all of our businesses in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption. We are committed to act professionally, fairly and with integrity in all our relationships and business dealings wherever we operate. We are also committed to implement and enforce effective systems to counter bribery. Some of our codes / policies are available at <https://www.sheelafoam.com/investor.html>. Other internal policies are placed on the intranet of the Company and are open to access by the pertinent stakeholders.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

| Category | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|-----------|-------------------------------------|--------------------------------------|
| Directors | Nil | Nil |
| KMPs | | |
| Employees | | |
| Workers | | |

6. Details of complaints with regard to conflict of interest:

| Topic | FY 2022-23 (Current Financial Year) | | FY 2021-22 (Previous Financial Year) | |
|--|-------------------------------------|---------|--------------------------------------|---------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil | | Nil | |
| Number of complaints received in relation to issues of Conflict of Interest of KMPs | | | | |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

| Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | %age of persons in value chain covered by the awareness programmes |
|--|---|--|
| 25 | P5: Child Labor P3: Safety P9: Customer Complaints | 44% (Suppliers) |
| 20 | P3: Saathi Skill Development Program | 100% (distributors) |
| 11 | P9: Induction for Call Centre Team | 100% (call center team) |

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has a Code of Conduct for Board of Directors and senior management personnel which provides clear guidelines for avoiding and disclosing actual or potential conflict of interest with the Company. It states below:

The Board of Directors, Key Managerial Personnel and the Senior Management Personnel shall not enter into any transaction which is or may likely to have a conflict with the interest of the Company and shall not engage any of its relative(s), or any other person or entity, for the purposes of circumventing the personal interest involved. The Board of Directors, Key Managerial Personnel and the Senior Management Personnel shall not take up any position or engagement that may be prejudicial to the interest of the Company. The Executive Director(s), Key Managerial Personnel and the Senior Management Personnel shall not take up any outside Employment.

The Code of Conduct can be accessed at: <https://www.sheelafoam.com/pdf/investor/code-of-conduct-sheela-foam.pdf>

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

| Type | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) | Details of improvement in social and environmental aspects |
|------------------------------|---|--|---|
| Research & Development (R&D) | ~₹ 73.7 lacs | | <ul style="list-style-type: none"> Designing of product for Indian Railways involving special feature of complying with human safety in case of any fire incidents. This is achieved while complying with certain standards defined for the usage in the Railways. This product restricts the emissions during fire within the limits which are allowed for human exposure and allow them to escape safely. |
| Capital Expenditure (CAPEX) | ~₹ 108.9 lacs | ~₹ 6.6 lacs | <ul style="list-style-type: none"> VPF process is virtually emission free. VPF technology enables us with the foundation of many eco-friendly foam products with improved physical properties. No need of ABAs(Auxiliary Blowing Agents) as required in traditional foaming process due to its closed chamber process and eventually reducing emissions with maximum levels. This process reduces the usage of chemicals which are not environmentally friendly and has health hazards. VPF technology enables us to produce unique products with value enhancements leading to a competitive edge over other technologies. During production on VPF technology, persons working around are quite comfortable because of no emissions and closed chamber production. If any of the emissions generated, they are captured by carbon beds used in process before they are released to open environment making this production process completely clean and exceeding the most stringent environmental regulations. |

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Though we do not have a formal sustainable sourcing policy, in practice, we carefully select and onboard vendors with robust infrastructure and good manufacturing practices. We strive to enhance vendor infrastructure by implementing solventless lamination in packaging, using compliant granules and inks, maintaining machines and Effluent Treatment Plants effectively, minimizing color dyeing in fabrics, and sourcing foaming inputs from reputable industry leaders. We also aim at eliminating/ minimizing restricted raw materials from products.

b. If yes, what percentage of inputs were sourced sustainably?

The Company is in the process of setting up governance mechanisms to track this data digitally.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

- (a) Plastics (including packaging): As a brand owner, we recycle the plastic waste being produced our manufacturing process (including packaging) through a government registered vendor.
- (b) E-waste: E-waste materials are sold out to authorized e-waste vendors only.
- (c) Hazardous waste: We have been procuring TDI in bulk quantity through tanker and rarely the procurement is made through the drum. Since drums contain stains of TDI therefore we take utmost care and sell them to government authorized agencies only, who further recycle the same.

- (d) Other waste: The wastepaper generated in the production process and from the units are being sold out to the authorized vendor, who further uses them in the manufacturing process of molded paper plates & bowl etc. Additionally, the waste foam- (offcuts/trims) generated from the production process is sold out to the recycling processor which further uses them in the production of rebonded foam. Units segregate all waste and store it separately for further disposal. Further non-hazardous waste is being sold out to local scrap dealers only.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR is applicable to the company. As a leading manufacturer in the foam industry, it is important that we ensure the safe disposal of pre-consumer and post-consumer packaging.

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Nil

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Since LCA is not conducted, Environmental and Social impacts of our products are presently not known.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

| Indicate Input Material | Recycled or re-used input material to total material | |
|-------------------------|--|---|
| | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
| Recycled Fiber Pillows | 100% | 100% |
| Re-bonded Foam | 91% | 100% |

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

| | FY 2022-23 Current Financial Year | | | FY 2021-22 (Turnover rate in current FY) | | |
|--------------------------------|---|----------|-----------------|---|----------|-----------------|
| | Reused | Recycled | Safely Disposed | Reused | Recycled | Safely Disposed |
| Plastics (including packaging) | The Company is in the process of setting up governance mechanisms to track this data digitally. | | | | | |
| E-waste | | | | | | |
| Hazardous waste | | | | | | |
| Other waste | | | | | | |

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---------------------------|---|
| | Nil |

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

| Category | Total (A) | Health & Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day Care Facilities | |
|---|------------|-----------------------------|-------------|--------------------|-------------|--------------------|------------|---------------------|------------|
| | | Number (B) | % (B / A) | Number (C) | % (C / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| Permanent | | | | | | | | | |
| Male | 612 | 612 | 100% | - | - | Nil | Nil | Nil | Nil |
| Female | 54 | 54 | 100% | 54 | 100% | Nil | Nil | Nil | Nil |
| Total | 666 | 666 | 100% | 54 | 100% | Nil | Nil | Nil | Nil |
| Other than Permanent (Contractual) | | | | | | | | | |
| Male | 25 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Female | 16 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Total | 41 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

Details of measures for the well-being of workers:

| Category | Total (A) | Health & Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day Care Facilities | |
|---|-------------|-----------------------------|-------------|--------------------|-------------|--------------------|----------|---------------------|-------------|
| | | Number (B) | % (B / A) | Number (C) | % (C / A) | No. | % | Number (B) | % (B / A) |
| Permanent | | | | | | | | | |
| Male | 1197 | 1197 | 100% | - | - | - | - | Nil | Nil |
| Female | 59 | 59 | 100% | 59 | 100% | - | - | Nil | Nil |
| Total | 1256 | 1256 | 100% | 59 | 100% | - | - | Nil | Nil |
| Other than Permanent (Contractual) | | | | | | | | | |
| Male | 741 | 741 | 100% | - | - | - | - | 741 | 100% |
| Female | 42 | 42 | 100% | 42 | 100% | - | - | 42 | 100% |
| Total | 783 | 783 | 100% | 42 | 100% | - | - | 783 | 100% |

2. Details of retirement benefits, for Current FY and Previous Financial Year:

| Sr. No. | Benefits | FY 2022-23 (Current FY) | | | FY 2021-22 (Previous FY) | | |
|---------|-------------------------|--|---|--|--|---|--|
| | | No. of employees covered as a % of total employees | No. of workers covered as a % of total worker | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total worker | Deducted and deposited with the authority (Y/N/N.A.) |
| 1 | PF | 100% | 100% | Y | 100% | 100% | Y |
| 2 | Gratuity | 100% | 100% | NA | 100% | 100% | NA |
| 3 | ESI | 1.1% | 57.3% | Y | 1% | 43% | Y |
| 4 | Others - please specify | - | - | - | - | - | - |

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

We understand the importance of meeting the requirements of the Rights of Persons with Disabilities Act, 2016. Our company has implemented various measures to provide accessible infrastructure at corporate office and plants to support differently abled employees and worker.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the company has an Equal Opportunity Policy as part of internal HR policies (Anti-Discrimination Policy). It states as following: Sheela Foam is an "equal opportunity employer." Sheela Foam will not discriminate and will take "affirmative action" measures to ensure against discrimination in employment, recruitment, advertisements for employment, compensation, termination, upgrading, promotions, and other conditions of employment against any employee or job applicant on the bases of race, creed, color, national origin, or gender. Internal policies are accessible on the intranet to the pertinent stakeholders.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent Employees | | Permanent Workers | |
|--------------|---------------------|----------------|---------------------|----------------|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | - | - | - | - |
| Female | 100% | 100% | 100% | 100% |
| Total | 100% | 100% | 100% | 100% |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| Category | Yes/No | Details of the mechanism in brief |
|--------------------------------|--------|---|
| Permanent Workers | Yes | The company has an Employees Grievance Redressal Policy in place internally available to all employees and workers. An employee may face any problem or has concern about his/her work, working environment, or working relationships that he/she wish to raise with someone in the organization. The Company encourages free communication between the employee and the Supervisor / Manager / Head of Function to ensure such problems and concerns can be resolved in the quickest and fairest possible way and at the lowest possible level within the organization. The mechanism has 3 stages of escalation and grievance raised is treated in the strictest of confidence. |
| Other than Permanent Workers | Yes | |
| Permanent Employees | Yes | |
| Other than Permanent Employees | Yes | |

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

| Category | FY 2022-23 (Current FY) | | | FY 2021-22 (Previous FY) | | |
|----------------------------|--|--|---------|--|--|--------|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B/A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | %(D/C) |
| Permanent Employees | | | | | | |
| Male | Nil | | | Nil | | |
| Female | | | | | | |
| Others | | | | | | |
| Total | | | | | | |
| Permanent Workers | | | | | | |
| Male | Nil | | | Nil | | |
| Female | | | | | | |
| Others | | | | | | |
| Total | | | | | | |

8. Details of training given to employees and workers:

| Category | FY 2022-23 (Current FY) | | | | | FY 2021-22 (Previous FY) | | | | |
|------------------|-------------------------|-----------------------------|-------------|----------------------|-------------|--------------------------|-----------------------------|-------------|----------------------|-------------|
| | Total (A) | On Health & Safety measures | | On Skill Upgradation | | Total (D) | On Health & Safety measures | | On Skill Upgradation | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| Employees | | | | | | | | | | |
| Male | 637 | 637 | 100% | 637 | 100% | 647 | 647 | 100% | 647 | 100% |
| Female | 70 | 70 | 100% | 70 | 100% | 49 | 49 | 100% | 49 | 100% |
| Total | 707 | 707 | 100% | 707 | 100% | 696 | 696 | 100% | 696 | 100% |
| Workers | | | | | | | | | | |
| Male | 1938 | 1938 | 100% | 1938 | 100% | 1997 | 1997 | 100% | 1997 | 100% |
| Female | 101 | 101 | 100% | 101 | 100% | 120 | 120 | 100% | 120 | 100% |
| Total | 2039 | 2039 | 100% | 2039 | 100% | 2117 | 2117 | 100% | 2117 | 100% |

9. Details of performance and career development reviews of employees and worker:

| Category | FY 2022-23 (Current FY) | | | FY 2021-22 (Previous FY) | | |
|------------------|--|--|-------------|--|--|-------------|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who had a career review (B) | % (B/A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who had a career review (D) | %(D/C) |
| Employees | | | | | | |
| Male | 612 | 612 | 100% | 647 | 647 | 100% |
| Female | 54 | 54 | 100% | 49 | 49 | 100% |
| Total | 666 | 666 | 100% | 678 | 678 | 100% |
| Workers | | | | | | |
| Male | 1197 | 1197 | 100% | 1997 | 1997 | 100% |
| Female | 59 | 59 | 100% | 120 | 120 | 100% |
| Total | 1256 | 1256 | 100% | 2117 | 2117 | 100% |

10. Health and safety management system:

| | |
|--|--|
| a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No) | Yes |
| a. 1 What is the coverage of such system? | All employees and workers |
| b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity? | Check lists, SOPs, work permit systems, safety audits, regular safety committee meetings are some of the processes to identify work related hazards. HAZOP study and risk assessment of the plant is also conducted. |
| c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Yes/No) | Yes |
| d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No) | Yes |

11. Details of safety related incidents, in the following format:

| Safety Incident/Number | Category | FY 2022-23 (Current FY) | FY 2021-22 (Previous FY) |
|---|-----------|-------------------------|--------------------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | NA | NA |
| | Workers | NA | NA |
| Total recordable work-related injuries | Employees | 3 | 0 |
| | Workers | 20 | 33 |
| No. of fatalities | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | NA | NA |
| | Workers | NA | NA |

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

To ensure a safe and healthy workplace, daily safety talks before the start of the routine activities are conducted. ‘Toolbox Talk’ on various safety topics of daily importance is organized by Shop Engineers / Shift In-charge to sensitize workers about workplace safety. Unit wise fire safety members called as ‘crew team members’ are aligned along with fire extinguisher attached to them. There is more than required stored water for fire prevention. We conduct regular trainings on good health and safety practices as well.

Safety audits are conducted regularly to ensure everything is in compliance. There is full compliance of OS&H (Occupational Safety and Health) and related applicable legal requirements and other requirements.

13. Number of Complaints on the following made by employees and workers:

| Topic | FY 2022-23 (Current Financial Year) | | | FY 2021-22 (Previous Financial Year) | | |
|--------------------|-------------------------------------|---------------------------------------|---------|--------------------------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 0 | NA | - | 0 | NA | - |
| Health & Safety | 0 | NA | - | 0 | NA | - |

14. Assessments for the year:

| Topic | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Health and safety practices | 100% |
| Working Conditions | 100% |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

1. Wheel chokes were applied to arrest accidental movement of the chemical tankers.
2. Pipeline Color Codes followed by SFL displayed at vital places to know what contents are being carried across the pipelines.
3. Toe Board / Toe Guard provided on the first floor of process area to prevent fall of tool/material inadvertently.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, for all permanent employees.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners

The Company is compliant with deduction of statutory dues of employees towards income tax, provident fund, ESIC etc. as applicable from time to time. Value chain partners (vendors, distributors) are also encouraged to comply as per the business agreements with the Company.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

| Category | Total no. of affected employees/ workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|-----------|--|---|---|---|
| | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
| Employees | NIL | NIL | NIL | NIL |
| Workers | NIL | NIL | NIL | NIL |

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No).

Yes. The Company provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.

5. Details on assessment of value chain partners:

| Topic | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|---|
| Health and safety practices | 44% |
| Working Conditions | |

Note: Only suppliers are accounted in the calculation of the %age of value chain partners assessed on health & safety and working conditions.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity:

SFL has mapped its internal and external stakeholders and based on the valuation provided in the value chain and relevance for the organization, the major/ key categories include:

- Investors
- Shareholders
- Employees
- Customers
- Community organizations/ NGOs
- Vendors / Suppliers / Contractors of goods and services
- Distributors & dealers
- Government & Regulatory Authority

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly /others - please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|--------------------------------|--|---|---|---|
| Shareholder | No | Website, Shareholder Meetings, Email, Central Telephone Number, Notice, Newspaper | Quarterly | <ul style="list-style-type: none"> • Awareness (Q&A) session on performance and results of the company • Annual General Meeting |
| Investor | No | Meeting, Notice, Newspaper, Email, Website | Regularly | <ul style="list-style-type: none"> • Resolve any queries received from investors. • Showcase an overview of SFL's business performance, strengths, future strategy, etc. |
| Employees | No | Email, ERP, SMS, Townhall Meetings | As and when required | <ul style="list-style-type: none"> • Career development, diversity and equal opportunity, health and safety, skill upgradation, learning and development, organisational culture/ workplace, grievances and remuneration |
| Customers | No | Stores, Experience, Advertising, Newspaper, pamphlets, Hoarding/ banner, SMS, website, phone | As and when required | <ul style="list-style-type: none"> • Offers • Brand awareness • New product development • Product feedback |
| Community organizations / NGOs | Yes | Need assessments for CSR projects through surveys and focused group discussions | As and when required | <ul style="list-style-type: none"> • Assessment of community needs • Selection of new projects based on needs • Monitoring and evaluation of on-going projects |

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly /others - please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|--|---|---|--|
| Vendors / Suppliers / Contractors of goods and services | No | Physical meetings, Emails, Telephone | Frequent and as may be required | <ul style="list-style-type: none"> • New business opportunities • Query Resolution & Grievance Redressal. • Supplier performance assessment. • Addressing non-compliance issues • Signing / breach of contract. |
| Distributors and dealers | No | Physical meetings, Emails, Telephone, conferences | Frequent and as may be required | <ul style="list-style-type: none"> • Query Resolution & Grievance Redressal. • Distributor's performance assessment. • Addressing non-compliance issues. |
| Government and regulatory authorities | No | Written communications, Presentations, Industry associations, websites, advertisements | Frequent and as may be required | <ul style="list-style-type: none"> • Understanding and adherence to local governance • Seeking clarifications and relaxation • Communicating challenges and providing recommendations. |

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The Company has in place a Stakeholders Relationship Committee of the Board ("SRC") which has been constituted by the Board for speedy redressal of grievances/ complaints relating to stakeholders / investors, and also has in place a Corporate Social Responsibility Committee, which identifies CSR activities to be undertaken by the Company, affecting communities in areas or subject as specified in Schedule VII of the Act and Rules made thereunder. Further, a dedicated email id is also available for community/ NGOs to register their grievances. The Risk Management Committee has also been constituted to identify elements of risk in different areas of operations. The committee evaluates significant risk exposures of the company and assess management's actions to mitigate the exposures in a timely manner. This also includes the ESG risks. The observations of each of these Committees are duly intimated to the Board at its respective meeting. Value Chain Partners may register their complaints / grievances / concerns directly with the head of the concerned department of the Company. All employees of the Company have direct access to the to the Chairman of the Audit Committee under the Vigil Mechanism implemented by the Company through which Directors, Senior Management & Employees may report breach of Code of Conduct including Code of Conduct for Insider Trading, unethical business practices, illegality, fraud, corruption, leak of unpublished price sensitive information pertaining to the Company etc. at workplace without fear of reprisal.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Stakeholder consultation is eminent to in order to create long-term value and we take steps to understand each stakeholder group's needs and priorities through several mediums, including direct engagement or via delegated committees and forums.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

EMOTIONAL WELLNESS PROGRAMME:

Sleepwell foundation is championing the advocacy of "substituting the term mental with emotional and bringing proactiveness in emotional wellness.

Our Initiative supports the IEC activities of the Government of India's National Mental Health Program (NMHP) for the purpose of increasing awareness of mental health. Through our initiatives we create literacy and build awareness of proactive emotional wellness. We have created a total reach of 435 million people.

Our interventions include conducting educational workshops for Children and Youth, organizing training programmes for Teachers and creating Counsellors at the community level. Topics like Gender Sensitization, Examination Stress Management, Menstruation Health and Hygiene,

Prevention of Bullying in Schools, Enhancing Perception and Communication are intended to educate children and adolescents and PROTECT THEM FROM VULNERABILITY IN LIFE AND CREATE AN EMOTIONALLY SAFE SPACE for their growth. We leverage social media to enhance Emotional Wellness through Information, Education and Communication. Our films on emotional wellness have millions of viewers and are bringing behavior and attitude change in society. Our program BCS - Barefoot Basic Counselling Skills Workshops CREATES MENTAL HEALTH COUNSELLORS AT THE GRASSROOTS LEVEL. It is a step toward addressing an acute shortage of counsellors in India.

SKILL DEVELOPMENT PROGRAMME:

Set up Sleepwell Foundation Skill Development Centre at Village Mirpur on the outskirts of Khurja, (UP). The Centre has TRAINED MORE THAN 8000 RURAL YOUTH and is helping to meet the objectives of the National Skill Development Corporation (NSDC) in filling the skill gap and achieving the vision of a 'Skilled India'.

Sleepwell Foundation is a firm believer in the power of Proactiveness and creating opportunities before even when the need arises. Preventive or proactive approach helps in alleviating many challenges much before they become acute issues and is many times able to nip the problem in the bud.

While recognizing the need for preparing the Rural Youth, Sleepwell Foundation was proactive in establishing Col Gautam Academy for armed forces, a training academy for recruitment in the Indian army and paramilitary forces. The Academy is focused on skilling both Girls and Boys desirous of joining the armed forces. It provides Physical and Classroom training along with all the necessary information and guidance regarding recruitment procedures of the Army, Navy, Air Force, Police, RPF, CISF, BSF, ITBP and other allied services. Sleepwell Foundation understands the social fabric of rural areas that puts various restrictions on young women to move out to distant locations for their livelihood. We introduce skilling courses that are meaningful, productive and sustainable in the context of the Rural and semi-urban economy. We aim at empowering the youth within the ambit of the social framework so that they not only get gainfully employed but also grow and contribute to the economy of the place.

MasterG fashion designing course for women is one such course in this direction.

Patternmaking in garment manufacturing has been a man's job and the role of a pattern maker, colloquially called 'Masterji', has always been passed from father to son in a traditional set-up. At MasterG, we democratize the art of pattern making to give women the tools for imagination that help them in redesigning their lives.

PARAMEDICAL COURSES: The Covid-19 pandemic has brought to light the acute shortage of healthcare

professionals in rural India and cast a spotlight on rural-urban health inequalities. Besides, the pandemic also highlighted a great scope in the paramedical sector because of the high number of job opportunities in the fast-growing medical industry. To capitalize on this emerging opportunity, we introduced Paramedical Courses at SDC Khurja. Our paramedical courses are affiliated with DPMI, a leader in providing healthcare training in India. The courses saw overwhelming participation, both male and female, and on course completion, almost all of our trainees are interned at Govt. Hospitals and other health care facilities in and around Khurja.

In conforming with SDG 3, our paramedical courses aim to achieve universal health coverage, that seeks equitable access to healthcare services for all men and women in the rural setting.

SELLING SKILL COURSE: Sales is the backbone of any business with millions of people employed under its ambit. In recognizing the vast potential this trade offers especially in view of upcoming "Noida International Airport" at Jewar (UP), we have introduced SELLING SKILL COURSE at our SDC Khurja campus. The course is intended to provide basic selling skills to the trainees in tandem with modern marketing principles to make them effective salespeople. The course is taught by an expert in the industry and is expected to open millions of opportunities and offer decent work for all those who pass out with this skillset.

COMPUTER AND ENGLISH LESSONS: Finally, all our trainees at SDC Khurja undergo Computer and English lessons mandatorily. It is perceived that knowledge of Computers and English are the currencies of the world. Without these, our youth from Rural India would always be lagging behind. We want them to be always at home, wherever they go, whatever they do in their lives. In the last 4 years of the inception of SDC Khurja, thousands of youth were trained our trainees are well placed in the Armed forces and leading Corporates. Many have chosen the path of entrepreneurship and set up businesses that provide self-employment and improve the economy as well as their quality of living.

ON & OFFLINE WORKSHOPS: We conduct on & offline workshops for youth at national level

HOW TO START A BUSINESS WORKSHOPS : (A series of 3-Day Workshop, conducted for ITI/Diploma Students, Graduates & Pursuing Graduates etc. of various colleges) to prepare and motivate youth to set-up their own business, thereby addressing unemployment issues.

ENHANCE YOUR PROFESSIONAL EFFECTIVENESS WORKSHOPS: A series of 4-Day Workshop, conducted for Supervisors and middle management team of SMEs to enhance their soft skills and thereby increasing productivity of the organizations where they are employed.

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category | FY 2022-23 Current Financial Year | | | FY 2021-22 Previous Financial Year | | |
|------------------------|-----------------------------------|--|------------|------------------------------------|--|------------|
| | Total (A) | No. of employees / workers covered (B) | % (B / A) | Total (C) | No. of employees / workers covered (D) | % (D / C) |
| Employees | | | | | | |
| Permanent | 666 | Nil | Nil | 637 | Nil | Nil |
| Other than permanent | 41 | Nil | Nil | 24 | - | - |
| Total Employees | 707 | Nil | Nil | 661 | Nil | Nil |
| Workers | | | | | | |
| Permanent | 1256 | Nil | Nil | 1427 | Nil | Nil |
| Other than permanent | 783 | Nil | Nil | 818 | Nil | Nil |
| Total Workers | 2039 | Nil | Nil | 2245 | Nil | Nil |

2. Details of minimum wages paid to employees and workers, in the following format:

| Category | FY 2022-23 (Current Financial Year) | | | | | FY 2021-22 (Previous Financial Year) | | | | |
|-----------------------------|-------------------------------------|---------------------------------------|--------------------------------------|---|--|--------------------------------------|---------------------------------------|--------------------------------------|---|--|
| | Total Count in Current FY | Number of Employees Paid Minimum wage | % age of Employees Paid Minimum wage | Number of Employees Paid more than Minimum wage | % age of Employees Paid more than Minimum wage | Total Count in Previous FY | Number of Employees Paid Minimum wage | % age of Employees Paid Minimum wage | Number of Employees Paid more than Minimum wage | % age of Employees Paid more than Minimum wage |
| Employees | | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | 612 | - | - | 612 | 100% | 585 | - | - | 585 | 100% |
| Female | 54 | - | - | 54 | 100% | 52 | - | - | 52 | 100% |
| Other than permanent | | | | | | | | | | |
| Male | 25 | - | - | 25 | 100% | 14 | - | - | 14 | 100% |
| Female | 16 | - | - | 16 | 100% | 10 | - | - | 7 | 100% |
| Workers | | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | 1197 | - | - | 1197 | 100% | 1367 | - | - | 1367 | 100% |
| Female | 59 | - | - | 59 | 100% | 60 | - | - | 60 | 100% |
| Other than Permanent | | | | | | | | | | |
| Male | 741 | - | - | 741 | 100% | 760 | - | - | 760 | 100% |
| Female | 42 | - | - | 42 | 100% | 58 | - | - | 58 | 100% |

3. Details of remuneration/salary/wages, in the following:

| | Male | | Female | |
|----------------------------------|------|---|--------|---|
| | No. | Median remuneration/ salary/ wages of respective category | No. | Median remuneration/ salary/ wages of respective category |
| Board of Directors | 7* | 23,480,000 | 2 | 22,736,000 |
| Key Managerial Personnel (1) | 2# | 685894 | - | - |
| Employees other than BoD and KMP | 608 | 51355 | 53 | 50968 |
| Workers | 1197 | 20069 | 59 | 20184 |

Note: * Independent directors are excluded from the remuneration calculation due to their non- involvement in day-to- day activities.

KMPs includes CS and CFO.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the company Chief Human Resource Officer (CHRO) is the focal point responsible for addressing human rights impacts or issues caused or contributed to by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The company has the Employee grievance mechanism policy internally accessible on the intranet to all the employees. Under these policies, we have established 4 levels of escalation.

6. Number of Complaints on the following made by employees and workers:

| | FY 2022-23 (Current Financial Year) | | | FY 2021-22 (Previous Financial Year) | | |
|------------------------------------|-------------------------------------|---------------------------------------|---------|--------------------------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | Nil | Nil | - | Nil | Nil | - |
| Discrimination at workplace | Nil | Nil | - | Nil | Nil | - |
| Child Labour | Nil | Nil | - | Nil | Nil | - |
| Forced Labour / Involuntary Labour | Nil | Nil | - | Nil | Nil | - |
| Wages | Nil | Nil | - | Nil | Nil | - |
| Other human rights related issues | Nil | Nil | - | Nil | Nil | - |

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has an Anti-Social Harassment policy in place which is in line with the requirements of Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act 2013. The Internal system has been set up to redress complaints received regarding sexual harassment.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

SFL encourages suppliers to provide an inclusive and supportive working environment and to exercise diversity when it comes to their employees as well as in their decisions to select subcontractors.

9. Assessments for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|--|
| Child labor | 100% |
| Forced/involuntary labor | The Company recognizes that the success of Company’s business, quality of work and brand perception depends on the ability and commitment of its employees. Human rights practices like prevention of Child labour, Forced/involuntary labour, are taken care during hiring process. |
| Sexual harassment | |
| Discrimination at workplace | |
| Wages | |
| Others - please specify | The Company has policy relating to Anti-Social Harassment, which is committed to creating a healthy and safe working environment that enables employees to work without fear of prejudice, bias and sexual harassment. |

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Not Applicable, as the Company has not received any grievance/complaint

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Please refer response to Question number 9 of Principle 5.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, offices and plants are accessible to differently abled visitors.

4. Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed |
|----------------------------------|--|
| Sexual harassment | 44% of suppliers |
| Discrimination at workplace | |
| Child labour | SFL encourages suppliers to provide an inclusive and supportive working environment and to exercise diversity when it comes to their employees. SFL on board vendors who have operations in formal industrial areas i.e. aspects like child labor, forced labor etc. are continuously monitored by assigned authorities of the industrial areas. |
| Forced labour/involuntary labour | |
| Wages | |
| Others - please specify | |

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|--|--|---|
| Total electricity consumption (A) | 30197.4 GJ | 27148.9 GJ |
| Total fuel consumption (B) | 3361.5 GJ | 6134 GJ |
| Energy consumption through other sources (C) | - | - |
| Total energy consumption (A+B+C) | 33558.9 GJ | 33282.9 GJ |
| Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) | | |
| Energy intensity (optional) - the relevant metric may be selected by the entity | - | - |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yeas, name of the external agency.

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The Company does not have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

| Parameter | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|--|--|---|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | 0 KL | 0 KL |
| (ii) Groundwater | 35571 KL | 74251 KL |
| (iii) Third party water | 20817 KL | 2402 KL |
| (iv) Seawater / desalinated water | 0 KL | 0 KL |
| (v) Others | 0 KL | 0 KL |
| Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v) | 56388 KL | 76653 KL |
| Water intensity per rupee of turnover (Water consumed in kilolitres / turnover in crores) | | |
| Water intensity (optional) - the relevant metric may be selected by the entity | | |
| Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? | No | No |

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

We do not have any water discharge generating from our operations. We have installed STP at our Corporate Office and plants at Greater Noida, Hyderabad, Jalpaiguri, Kalamb, Erode and Talwada, which treats the water used for domestic purposes. The treated water is then reused and recycled for gardening or sent back to earth for recharge, as appropriate.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter | Please specify unit | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|-------------------------------------|---------------------|--|---|
| NOx | kg | Not available | Not available |
| SOx | - | Not available | Not available |
| Particulate matter (PM) | - | Not available | Not available |
| Persistent organic pollutants (POP) | - | Not available | Not available |
| Volatile organic compounds (VOC) | - | Not available | Not available |
| Hazardous air pollutants (HAP) | - | Not available | Not available |
| Others - please specify (CO) | kg | Not available | Not available |

Note: SFL is compliant with the state pollution control board recommended industrial air quality norms

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external

No.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| Parameter | Unit | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|--|---------------------------------|--|---|
| Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | The Company is in the process of computing the GHG emissions generated | |
| Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | | |

| Parameter | Unit | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|--|---|--|---|
| Total Scope 1 and Scope 2 emissions intensity | Metric tonnes of CO2 equivalent / crore of turnover | | |
| Total Scope 1 and Scope 2 emission intensity (optional)- the relevant metric may be selected by the entity | - | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not applicable

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide detail

1. Installation of solar plants and LED lights.
2. Solar power project, project on conversion of DG sets from diesel to PNG in Greater Noida plant.
3. Vertical Variable Pressure Foaming (VPF) technology to reduce fumes and GHG emissions
4. 95% of lighting is with LED in Rajpura plant

8. Provide details related to waste management by the entity, in the following format:

| Parameter | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|--|--|---|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste | 107.45 MT | 23.2 MT |
| E-waste | 13.78 MT | 14.3 MT |
| Bio-medical waste | Nil | Nil |
| Construction and demolition waste | 4.5 MT | Nil |
| Battery waste | 2.52 MT | Nil |
| Radioactive waste | Nil | Nil |
| Other Hazardous waste. Please specify, if any. | 34.4 MT | 0.272 |
| Other Non-hazardous waste generated. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | 1259.6 MT | 3051.80 MT |
| Total | 1422.30 MT | 3107.83 MT |

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

| Category of waste | | |
|---------------------------------|--|-----|
| (i) Recycled | | |
| (ii) Re-used | | |
| (iii) Other recovery operations | | |
| Total | | Nil |

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

| Category of waste | | |
|---------------------------------|--------------------------------|------------|
| (i) Incineration | Nil | Nil |
| (ii) Landfilling | Nil | Nil |
| (iii) Other disposal operations | 1422.30 MT (authorised vendor) | Nil |
| Total | 1422.30 MT | Nil |

Note: Includes iron, tin, quilting & other scrap

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Given the nature of the business, the generation of hazardous and toxic waste by the Company is minimal.

We are the manufacturer of polyurethane foam and its product. The TDI is the main raw material which is used for the production of foam. To ensure social & environmental responsibility following waste management actions have been taken us:-

1. We have been procuring TDI in bulk quantity through tanker and rear of the rear cases procurement is made through the drum. Since drums contain stains of TDI therefore we take utmost care and sell them to Government authorized agencies only, who further recycle the same.
2. The wastepaper generated in the production process and from the units are being sold out to the authorized vendor, who further uses them in the manufacturing process of molded paper plates & bowl etc.
3. Waste Foam - Waste foam generated from the production process is sold out to the recycling processor which further uses them in the production of rebonded foam
4. Other E-waste materials are sold out to authorized vendors only.

5. We have obtained the required license from the Government Department as a brand owner for the plastic waste being produced in the manufacturing process. Further, the waste is recycled by M/s ICPL on our behalf.
6. Units segregate all waste and store it separately for further disposal. Further non-hazardous waste is being sold out to local scrap dealers only.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format.

Yes, the Company is generally compliant with the applicable environmental laws / regulations/ guidelines in India.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

| Parameter | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|---|--|---|
| From renewable sources (GJ) | | |
| Total electricity consumption | 2768.03 GJ | 1399.20 GJ |
| Total fuel consumption | | |
| Energy consumption through other sources | | |
| Total energy consumed from renewable sources | 2768.03 GJ | 1399.20 GJ |
| From non-renewable sources (GJ) | | |
| Total electricity consumption | 27429.40 GJ | 25749.76 GJ |
| Total fuel consumption | 3361.53 GJ | 6133.76 GJ |
| Energy consumption through other sources | | |
| Total energy consumed from non-renewable sources | 30790.93 GJ | 31883.52 GJ |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Provide the following details related to water discharged:

| Parameter | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|--|--|---|
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) To Surface water | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment - please specify level of treatment | Nil | Nil |
| (ii) To Groundwater | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment - please specify level of treatment | Nil | Nil |
| (iii) To Seawater | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment - please specify level of treatment | Nil | Nil |
| (iv) Sent to third-parties | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment - please specify level of treatment | Nil | Nil |
| (v) Others | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment - please specify level of treatment | 10446 KL* | 8616 KL* |
| | STP treatment | STP Treatment |
| Total water discharged (in kilolitres) | 10446 KL | 8616 KL |

* We have installed STP at our Corporate Office and plants, which treats the water used for domestic purposes. The treated water is then reused and recycled for gardening or sent back to earth for recharge, as appropriate.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Water consumption is reported for the following offices / plants where the water stress is over-exploited or critical: Hyderabad, Ghaziabad, Greater Noida, Patiala and Erode.

| Parameter | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|--|--|---|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | Nil | Nil |
| (ii) Groundwater | 22,426 KL | 60,767 KL |
| (iii) Third party water | 20,817 KL | Nil |
| (iv) Seawater / desalinated water | Nil | Nil |
| (v) Others | Nil | Nil |
| Total volume of water withdrawal (in kilolitres) | 43,243 KL | 60,767 KL |
| Total volume of water consumption (in kilolitres) | 43,243 KL | 60,767 KL |
| Water intensity per rupee of turnover (Water consumed / turnover) | | |
| Water intensity (optional) - the relevant metric may be selected by the entity | | |
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) into Surface water | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment - please specify level of treatment | Nil | Nil |
| (ii) into Groundwater | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment - please specify level of treatment | Nil | Nil |
| (iii) into Seawater | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment - please specify level of treatment | Nil | Nil |
| (iv) Sent to Third parties | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment - please specify level of treatment | Nil | Nil |
| (v) Others | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment - please specify level of treatment | 6590 KL* | 7672 KL* |
| | STP Treatment | STP Treatment |
| Total water discharged (in kilolitres) | 6590 KL | 7672 KL |

* We have installed STP at our Corporate Office and plants which treats the water used for domestic purposes. The treated water is then reused and recycled for gardening or sent back to earth for recharge, as appropriate.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Not applicable

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

| Parameter | Unit | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|--|--------------------------|--|---|
| Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | tCO ₂ e | Not Measured | Not Measured |
| Total Scope 3 emissions per rupee of turnover | tCO ₂ e / INR | - | - |
| Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity | - | - | - |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

N.A., as the Company does not have operations/offices in/around ecologically sensitive areas where environmental approvals / clearances are required

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

| Sr. No. | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---------|---|---|---|
| 1 | Switching to renewable source of energy | Installation of solar plants and LED lights. | Energy efficiency and lower GHG emissions |
| 2 | Switching to renewable source of energy | Solar power project, project on conversion of DG sets from diesel to PNG in Greater Noida plant. | Energy efficiency and lower GHG emissions |
| 3 | Better Technology Adoption | Vertical Variable Pressure Foaming (VPF) technology to reduce fumes and GHG emissions | Reduced fumes and GHG emissions, |
| 4 | Switching to renewable source of energy | 95% of lighting is with LED in Rajpura plant | Energy efficiency and lower GHG emissions |
| 5 | LEED Certification | Sheela foam’s corporate office building is certified as LEED BD+C (Core and shell) Platinum rating that provides a cost effective, energy, and resource efficient framework for all commercial buildings. | Less energy and water usage, Green building mechanism which supports the climate, Shrink carbon footprint |
| 6 | Reduced occupancy sensor delays in lift and toilet lights | We reduced the occupancy sensor delay time in lift lobby and toilets from 15 mins to 5 mins | Energy efficiency |
| 7 | Sensor taps for washroom area | Sensor taps come with built-in sensors that allow it to detect motion and when an object appears in the front of tap, it automatically lets the water out. | Less water consumption and water wastage upto 70% |
| 8 | Automated streetlights and tube lights | 100% streetlights and tube lights at the mezzanine tunnels are automated for timely switch on/off to reduce unnecessary energy wastage | Energy Efficiency |
| 9 | Trainings on re-use and recycle | Trainings have been provided to the company associates for ‘Out of the box thinking’ on how to reuse and recycle the used/ scrap materials. | Circularity, Reduced waste |
| 10 | Procurement of electrical equipment | Procuring electrical equipment such as switch-gears and appliances for better utilization and minimum wastage of any kind. | Reduced waste |
| 11 | Trees plantation and water harvesting | Plantation of trees for greenery and installation of water harvesting pits | Mitigation of climate change risks, water saving |

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Sheela Foam Limited has a comprehensive Business Continuity Plan (BCP) in place to ensure continuity of operations and manage disasters effectively. The BCP includes standby databases, redundancy on hardware, regular database backups, and security measures such as firewalls. The plan is reviewed annually and updated when necessary. Data leakage prevention tools are deployed, and BCP testing is conducted every six months. The BCP leader coordinates the development and maintenance of the plan, declares disaster scenarios, conducts audits and testing, and ensures training for team members.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant adverse impacts have been reported from any value chain partners. Suppliers are expected to provide a safe and healthy working environment and, if applicable, safe and healthy company living quarters, and to operate in an environmentally responsible and efficient manner.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact

SFL encourages suppliers to provide an inclusive and supportive working environment and to exercise diversity when it comes to their employees. We are currently in process of selecting the assessment criterion for value chain partners.

PRINCIPLE 7

Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a) Number of affiliations with trade and industry chambers/ associations.

The Company is affiliated with 5 trade and industry chambers/ associations

b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| S. no | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|-------|---|---|
| 1 | Indian Polyurethane Association | National |
| 2 | Industrial associations located at respective units | State |
| 3 | Indian Sleep Products Federation | National |
| 4 | ASSOCHEM | International |
| 5 | CII | National |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

No significant adverse impacts have been reported from any value chain partners.

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity

SFL participates in public policy advocacy at various forums as CII, ISFB through concerned departments in consultation with management.

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development.

ESSENTIAL INDICATORS

- 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Not Applicable

- 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

Not Applicable

- 3. Describe the mechanisms to receive and redress grievances of the community**

We have a dedicated email ID for handling community grievances. The e-mail id is grievances@sleepwellfoundation.com and it is available on our website also.

- 4. Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:**

| Parameter | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|---|--|---|
| Directly sourced from MSMEs/ Small producers | 4.9% | 7% |
| Sourced directly from within the district and neighboring districts | 79.9% | 80% |

LEADERSHIP INDICATORS

- 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Nil.

- 2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

CSR activities are not done in the aspirational districts identified by Government.

- (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/ No) -**

SFL does not differentiate / discriminate while selecting its vendors. The company procures its foaming inputs from reputed chemical industry players, while for other inputs such as fabrics , packaging , rebonded foam, etc they have mostly MSME vendors.

They developed trusted relationship with local vendors and works with them to develop quality product that

meets its as well as industry needs, thereby enabling local vendors to grow their business.

- (b) From which marginalized /vulnerable groups do you procure?**

Not Applicable

- (c) What percentage of total procurement (by value) does it constitute?**

Not Applicable

- 4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge**

Not applicable.

- 5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Nil

6. Details of beneficiaries of CSR Projects.

| S. no | CSR Project | No of persons benefited from CSR Projects | % of beneficiaries from vulnerable and marginalized group |
|-------|--|---|---|
| 1 | Skill Development Centre in Khurja | 890 | 100% |
| 2 | Emotional Wellness Workshops | 5293 | Mixed beneficiaries |
| 3 | Soft Skills Workshops for MSMEs & Youth | 3595 | Mixed beneficiaries |
| 4 | Development of basic facilities in schools | 2000 | Mixed beneficiaries |

PRINCIPLE 8

Businesses should engage with and provide value to their consumers in responsible manner

ESSENTIAL INDICATORS
1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Consumer Complaints are attended at centralized customer care center called 'Sleepwell Care' and are resolved expeditiously. Contact number and e-mail id are available on our website <https://mysleepwell.com/sleepwell-at-home> for consumers to register complaints or provide any review/feedback. Consumers can register a complaint through Sleepwell care or with the Dealer.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

| | As a percentage to total turnover |
|---|-----------------------------------|
| Environment and Social parameters relevant to product | Nil |
| Safe and responsible usage | |
| Recycling and/or safe disposal | |

3. Number of consumer complaints:

| | FY 2022-23 (Current Financial Year) | | | FY 2021-22 (Previous Financial Year) | | |
|--------------------------------|-------------------------------------|---------------------------------------|---------|--------------------------------------|---------------------------------------|---------|
| | Received during the year | Pending resolution at the end of year | Remarks | Received during the year | Pending resolution at the end of year | Remarks |
| Data privacy | 0 | 0 | - | 0 | 0 | - |
| Advertising | 0 | 0 | - | 0 | 0 | - |
| Cyber-security | 0 | 0 | - | 0 | 0 | - |
| Delivery of essential services | 0 | 0 | - | 0 | 0 | - |
| Restrictive Trade Practices | 0 | 0 | - | 0 | 0 | - |
| Unfair Trade Practices | 0 | 0 | - | 0 | 0 | - |
| Others | 35264 | 640 | | 41644 | 549 | - |

4. Details of instances of product recalls on account of safety issues

| | Number | Reason for recall |
|-------------------|--------|-------------------|
| Voluntary recalls | 0 | Not Applicable |
| Forced recalls | 0 | Not Applicable |

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The company has framed its cyber security & data privacy policy under its IT policies which is applicable to all the Employees (Full Time, Part Time, Contractual, Consultants, Auditors, etc.) and stakeholders (in some cases Customers & Vendors) of SFL. It considers customer information safety as a critical aspect. This policy is available on the intranet portal.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Since there are no complaints, there was no need for any corrective action.

LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Corporate Website at <https://www.sheelafoam.com/home-comfort-porducts.html> and <https://mysleepwell.com/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Steps for responsible usage are available on the packaging of the products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

In case of any disruption/discontinuation of essential services, BCP leader shall invoke the BCP process in consultation with the BCP Team Members. Thereafter, consumers are informed through website about disruption/ discontinuation if any.

For e.g., during the covid, due to disruption in production and transportation services, customers were informed via website and Sleepwell@Home Initiative was started.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief.

Yes, the Company ensures that all the information as required to be displayed on the product labels as per the applicable rules and regulations are properly displayed. Further the product information can also be referred from our website.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, surveys are carried out to study satisfaction level with reference to Products, Customer handling at Dealers end and by Customer Care Department

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact - No Data Breaches have occurred

b. Percentage of data breaches involving personally identifiable information of customers - NA

Independent Auditor's Report

To the Members of Sheela Foam Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone financial statements of Sheela Foam Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

Revenue recognition - Discounts and rebates

Refer note 2 and 32 to the standalone financial statements.

As disclosed in note 2 to the standalone financial statements, revenue is measured net of any trade discounts and volume rebates to customers (i.e. to the Wholesale traders and Retail traders).

As per the secondary scheme, discounts and rebates are passed on to the customers only on secondary sales made by wholesale to retail. Further, certain discounts and rebates for goods sold during the year are only finalised when the precise amounts are known, and revenue therefore includes an estimate of variable consideration. This includes establishing an accrual at year end, particularly in arrangements with customers involving varying terms which are based on annual contracts or shorter-term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span beyond the year end. The unsettled portion of the variable consideration, results in accrual of discounts and rebates due to customers as at year end. Significant judgement is required in estimating accruals relating to secondary schemes recognized, based on sales made during the year.

In view of above, accrual for discounts and rebates in relation to revenue recognition is identified as a key audit matter.

Description of Auditor's response:

- Assessed the appropriateness of the Company's revenue recognition accounting policies, including those relating to discounts, incentives and rebates as required under the applicable accounting standards.
- Understood the process followed by the Company to determine the amount of accrual for discounts and rebates.
- Verified the design and implementation and tested operating effectiveness of key application controls over the Company's automated systems and manual controls over rebates agreements/ arrangements, rebate payments / settlements and Company's review over the rebate accruals.
- Verified on a test check basis, key customer contracts to identify the relevant terms and conditions related to discounts and rebates.
- Verified on test check basis, discounts and rebates transactions recorded during the year including period end discounts and rebates accruals and ensured the computation is in accordance with the policy and relevant source documents.

- Examined historical rebate accrual together with our understanding of current year developments to form an expectation of the rebate accrual as at year end and compared the same with the accrual for the year ended March 31, 2023.
- Verified completeness and accuracy of the data used by the Company for accrual of discounts and rebates through test of controls.
- Verified on a test check basis, rebate accruals after the reporting date to validate whether the accrual is recorded in the correct period.
- Verified payments made after reporting/year end date and where relevant, comparing the payment to the related rebate accrual.
- Verified the credit notes for rebates and discounts issued subsequent to the balance sheet date to assess the reasonableness of the amounts recognised and to identify any significant unaccounted secondary trade accruals.
- Verified manual journal entries posted to revenue, on a test check basis, to identify unusual items and examining the underlying documentation.
- Verified the related disclosures made in notes to the financial statements in accordance with the requirements of the applicable accounting standards.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc. but does not include the standalone financial statements and our auditor's report thereon. The Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc. is expected to be made available to us subsequent to this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc., if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 "The Auditor's responsibilities Relating to Other Information".

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs 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 standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 52 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (1) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 62 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the

understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (2) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 62 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
 - v. The Company has neither declared nor paid any dividend during the year.
 - vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.
3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

Nipun Gupta
Partner

Place: Gurugram
Date: May 17, 2023

Membership No.: 502896
UDIN: 23502896BGTEUQ8910

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2023 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

Nipun Gupta
Partner

Place: Gurugram
Date: May 17, 2023

Membership No.: 502896
UDIN: 23502896BGTEUQ8910

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED FOR THE YEAR ENDED MARCH 31, 2023

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirement's in the Independent Auditor's Report]

- i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- B. The Company does not have intangible assets. Accordingly, the provisions stated in paragraph 3(i)(a)(B) of the Order are not applicable to the Company.
- (b) Property, Plant and Equipment, have been physically verified by the management at reasonable intervals during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets). The company does not have intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.
- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from Banks on the basis of security of current assets. Monthly returns / statements filed with such banks are in agreement with the books of account.
- iii. (a) According to the information explanation provided to us, the Company has made investments in, provided loans, or given guarantee, or provided security to any other entity. The details of such loans or advances and guarantees or security are as follows:

(All amounts in ₹ in Lakhs)

| Particulars | Guarantees | Security | Loans (excluding interest) | Investments |
|--|------------|----------|-------------------------------|-------------|
| Aggregate amount granted/ provided during the year | | | | |
| - Subsidiaries | 7,175.07 | - | 4,200.00 | - |
| - Others | - | - | 362.65 | - |
| Balance Outstanding as at balance sheet date in respect of above cases | | | | |
| - Subsidiaries | 34,354.00 | - | 12,218.61 | 22,657.38 |
| - Others | - | - | 219.08 | - |

- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to investment made, guarantees provided, securities given and/or grant of all loans and advances in the nature of loans and guarantees are not prejudicial to interest of the company.
- (c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the payment of principal and interest.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no amounts over due for more than ninety days in respect of loan granted to Company/ Firm/LLP/Other Parties.
- (e) According to the information and explanations provided to us, the loan or advance in the nature of loan granted has not fallen due during the year. Hence, the requirements under paragraph 3(iii)(e) of the Order are not applicable to the company.

- (f) According to the information and explanations provided to us, the Company has granted loans/advances in the nature of loans repayable on demand or without specifying any terms or period of repayment. The details of the same are as follows:

(All amounts in ₹ in Lakhs)

| Particulars | All Parties | Promoters | Related Parties |
|---|-------------|-----------|-----------------|
| Aggregate amount of loans/ advances in nature of loans | | | |
| - Repayable on demand (A) | - | - | 5,050 |
| - Agreement does not specify any terms or period of repayment (B) | - | - | - |
| Total (A+B) | - | - | 5,050 |
| % of loans/ advances in nature of loans to the total loans | - | - | 41.10% |

- iv. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan, or provided guarantee or security to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on March 31, 2023 and the Company has not accepted any deposits during the year.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.
- There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- vii. (b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub Clause (a) above which have not been deposited as on March 31, 2023 on account of any dispute, are as follows:

(All amounts in ₹ in Lakhs)

| Name of the statute | Nature of dues | Amount Demanded | Amount Paid | Period to which the amount relates | Forum where dispute is pending |
|--|----------------|-----------------|-------------|------------------------------------|--|
| Central Excise Tax Act, 1944 | Excise Duty | 123.85 | 0.99 | 2011-2012 & 2012-2013 | The Customs Excise and Service Tax Appellate Tribunal, Kolkata |
| Central Excise Tax Act, 1944 | Excise Duty | 241.07 | 9.04 | February 2017 to June 2017 | Customs Excise Service Tax Appellate Tribunal, Kolkata |
| Central Excise Tax Act, 1944 | Excise Duty | 45.65 | 1.69 | 2016-2017 & 2017-2018 | Customs Excise Service Tax Appellate Tribunal, Kolkata |
| Income Tax Act,1961 | Income Tax | 479.68 | 479.68 | 2013-2014 | Delhi High Court |
| Income Tax Act,1961 | Income Tax | 23.45 | 23.45 | 2017-18 | Income Tax Appellate Tribunal, New Delhi |
| Income Tax Act,1961 | Income Tax | 37.35 | 37.35 | 2016-17 | Income Tax Appellate Tribunal, New Delhi |
| Income Tax Act,1961 | Income Tax | 24.51 | - | 2020-21 | Commissioner of Income tax (Appeal), New Delhi |
| The Central Sales Tax Act, 1956 and The Sikkim Sales Tax Act, 1983 | Sales Tax | 46.00 | 46.00 | 2003-2004 & 2004-2005 | Supreme Court |

(All amounts in ₹ in Lakhs)

| Name of the statute | Nature of dues | Amount Demanded | Amount Paid | Period to which the amount relates | Forum where dispute is pending |
|--|----------------|-----------------|-------------|------------------------------------|--|
| The Central Sales Tax Act, 1956 and The Sikkim Sales Tax Act, 1983 | Sales Tax | 393.99 | 393.99 | 2005-06 to 2011-12 | Additional Commissioner Commercial tax |
| West Bengal Tax on Entry of Goods into Local Areas Act, 2012 | Entry Tax | 28.88 | - | 2012-13 & 2013-14 | Supreme Court |
| West Bengal Tax on Entry of Goods into Local Areas Act, 2012 | Entry Tax | 107.51 | - | 2014-15 to 2017-18 | Supreme Court |
| Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007 | Entry Tax | 57.72 | 28.86 | 2001-2012 | Allahabad High Court |

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company does not have any loans or borrowings and repayment to lenders during the year. Accordingly, the provision stated in paragraph 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority. Accordingly, the provision stated in paragraph 3(ix)(b) of the Order is not applicable to the Company.
- (c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanation provided to us, there are no funds raised on short term basis. Accordingly, the provision stated in paragraph 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries. Accordingly, the provision stated in paragraph 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.
- x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3(x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Hence, the provisions stated in paragraph 3(x)(b) of the Order are not applicable to the Company.
- xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2023, accordingly the provisions stated in paragraph 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year. Accordingly, the provisions stated in paragraph 3(xi)(c) of the Order is not applicable to Company.

- xii. In our opinion and according to the information and explanations given to us the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Act are not applicable to Company.
- xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3(xvi)(a) of the Order are not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph 3(xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3(xvi)(c) of the Order are not applicable to the Company.
- (d) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph 3(xvi)(d) of the order are not applicable to the Company.
- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3(xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund or to a Special Account as per the provisions of Section 135 of the Act read with schedule VII. Accordingly, reporting under Clause 3(xx)(a) and Clause 3(xx)(b) of the Order is not applicable to the Company.
- xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

Nipun Gupta
Partner

Place: Gurugram
Date: May 17, 2023

Membership No.: 502896
UDIN: 23502896BGTEUQ8910

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED

[Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" in the Independent Auditor's Report of even date to the Members of Sheela Foam Limited on the Financial Statements for the year ended March 31, 2023]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

OPINION

We have audited the internal financial controls with reference to standalone financial statements of Sheela Foam Limited as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate

internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone

financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

Nipun Gupta
Partner

Place: Gurugram
Date: May 17, 2023

Membership No.: 502896
UDIN: 23502896BGTEUQ8910

Standalone Balance Sheet

as at March 31, 2023

(₹ in Lakhs)

| Particulars | Note no. | As at March 31, 2023 | As at March 31, 2022 |
|--|----------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 23,709.63 | 23,501.54 |
| Right-of-use assets | 4 | 1,631.09 | 1,835.12 |
| Capital work-in-progress | 3 | 188.78 | 63.78 |
| Investment property | 5 | 342.50 | 362.70 |
| Investment in subsidiaries | 6 | 19,667.38 | 19,667.38 |
| Financial assets | | | |
| (i) Investment in preference shares | 7 | 2,990.00 | 2,990.00 |
| (ii) Other investments | 8 | 5,641.29 | 52,883.17 |
| (iii) Loans | 9 | 12,229.14 | 7,778.00 |
| (iv) Other financial assets | 10 | 1,698.07 | 1,907.09 |
| Non current tax assets (net) | 11 | 671.16 | 463.33 |
| Other non-current assets | 12 | 323.67 | 260.02 |
| Total non current assets | | 69,092.71 | 1,11,712.13 |
| Current assets | | | |
| Inventories | 13 | 18,894.37 | 20,346.61 |
| Financial assets | | | |
| (i) Investments | 14 | 70,647.60 | 8,398.45 |
| (ii) Trade receivables | 15 | 16,400.40 | 13,601.78 |
| (iii) Cash and cash equivalents | 16 | 1,042.61 | 1,431.36 |
| (iv) Bank balances other than cash and cash equivalents | 17 | 26.65 | 31.58 |
| (v) Loans | 18 | 59.07 | 555.07 |
| (vi) Other financial assets | 19 | 640.00 | 2,817.77 |
| Other current assets | 20 | 3,704.13 | 1,922.97 |
| Total current assets | | 1,11,414.83 | 49,105.59 |
| Total assets | | 1,80,507.54 | 1,60,817.72 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 21 | 4,878.28 | 2,439.14 |
| Other equity | 22 | 1,34,701.83 | 1,18,513.31 |
| Total equity | | 1,39,580.11 | 1,20,952.45 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Lease liabilities | 23 | 1,488.19 | 1,826.72 |
| (ii) Other non current financial liabilities | 24 | 2,548.16 | 5,034.08 |
| Provisions | 25 | 897.43 | 602.57 |
| Other non current liabilities | 26 | 19.85 | 22.70 |
| Deferred tax liabilities (net) | 27 | 189.02 | 482.45 |
| Total non current liabilities | | 5,142.65 | 7,968.52 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Lease liabilities | 23 | 127.06 | 113.12 |
| (ii) Trade payables | | | |
| – Total outstanding dues of micro enterprises and small enterprises | 28 | 630.91 | 444.61 |
| – Total outstanding dues of creditors other than micro enterprises and small enterprises | 28 | 17,645.99 | 18,941.42 |
| (iii) Other financial liabilities | 29 | 8,627.40 | 4,130.88 |
| Provisions | 25 | 1,088.59 | 1,053.41 |
| Current tax liabilities (net) | 30 | 115.53 | – |
| Other current liabilities | 31 | 7,549.30 | 7,213.31 |
| Total current liabilities | | 35,784.78 | 31,896.75 |
| Total liabilities | | 40,927.43 | 39,865.27 |
| Total equity and liabilities | | 1,80,507.54 | 1,60,817.72 |

Significant accounting policies

2

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

 For **M S K A & Associates**

Chartered Accountants

Firm Registration No.: 105047W

For and on behalf of the Board of Directors of

Sheela Foam Limited

CIN: L74899DL1971PLC005679

Nipun Gupta

Partner

Membership No.: 502896

Rahul Gautam

Managing Director

DIN:00192999

Tushaar Gautam

Whole Time Director

DIN:01646487

Amit Kumar Gupta

Group Chief Financial Officer

Md. Iqbal Ahmad

Company Secretary

Membership No.: A20921

 Place: Gurugram
Date: May 17, 2023

 Place: Noida
Date: May 17, 2023

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars | Note no. | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|----------|-----------------------------------|-----------------------------------|
| Income | | | |
| Revenue from operations | 32 | 2,01,981.56 | 2,00,820.99 |
| Other income | 33 | 7,861.27 | 7,022.38 |
| Total Income | | 2,09,842.83 | 2,07,843.37 |
| Expenses | | | |
| Cost of materials consumed | 34 | 1,13,311.05 | 1,28,594.54 |
| Purchase of stock-in-trade | 35 | 14,887.73 | 5,331.06 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 36 | (360.40) | (865.63) |
| Other manufacturing expenses | 37 | 3,626.01 | 3,401.82 |
| Employee benefits expense | 38 | 14,519.48 | 13,188.01 |
| Finance costs | 39 | 637.38 | 710.95 |
| Depreciation and amortisation expense | 40 | 3,376.39 | 3,238.96 |
| Other expenses | 41 | 33,778.17 | 27,787.27 |
| Total Expenses | | 1,83,775.81 | 1,81,386.98 |
| Profit before tax | | 26,067.02 | 26,456.39 |
| Income Tax expense | 59 | | |
| Current tax | | 6,815.87 | 7,054.57 |
| Tax expenses related to earlier years | | (70.49) | (22.27) |
| Deferred tax (net) | 27 | (164.30) | (307.39) |
| Total Income tax expense | | 6,581.08 | 6,724.91 |
| Profit for the year | | 19,485.94 | 19,731.48 |
| Other comprehensive income (net of tax) | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Remeasurements gain / (loss) of the net defined benefit plans | | (165.27) | (479.40) |
| Income tax on above item | 27 | 41.60 | 120.66 |
| <i>Items that will be reclassified to profit or loss</i> | | | |
| Fair value gain / (loss) on investments and other financial instruments | | (347.78) | 323.91 |
| Income tax on above item | 27 | 87.53 | (81.53) |
| Total Other comprehensive income/ (loss) (net of tax) | | (383.92) | (116.36) |
| Total comprehensive income for the year | | 19,102.02 | 19,615.12 |
| Earnings per equity share (face value of ₹5/- each): | | | |
| Basic and diluted (₹) | 42 | 19.97 | 20.22 |

Significant accounting policies

2

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For and on behalf of the Board of Directors of

For **M S K A & Associates**
Chartered Accountants
Firm Registration No.: 105047W

Sheela Foam Limited
CIN: L74899DL1971PLC005679

Nipun Gupta
Partner
Membership No.: 502896

Rahul Gautam
Managing Director
DIN:00192999

Tushaar Gautam
Whole Time Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Place: Gurugram
Date: May 17, 2023

Place: Noida
Date: May 17, 2023

Md. Iqbal Ahmad
Company Secretary
Membership No.: A20921

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

A. EQUITY SHARE CAPITAL

| Particulars | ₹ in Lakhs |
|--|-----------------|
| Balance as at April 01, 2021 | 2,439.14 |
| Add: Issued during the year | - |
| Balance as at March 31, 2022 | 2,439.14 |
| Add: Bonus shares issued during the year | 2,439.14 |
| Balance as at March 31, 2023 | 4,878.28 |

B. OTHER EQUITY

(₹ in Lakhs)

| Particulars | Reserves and surplus | | | Items of Other Comprehensive Income | | Total |
|--|----------------------|-----------------|-------------------|-------------------------------------|-------------------------------------|--------------------|
| | Retained earnings | Capital reserve | General reserve | Debt instruments through OCI | Cash flow hedge reserve through OCI | |
| Balance as at April 01, 2021 | 96,671.76 | 328.57 | 1,716.27 | 181.59 | - | 98,898.19 |
| Profit for the year | 19,731.48 | - | - | - | - | 19,731.48 |
| Other comprehensive income/ (loss) for the year (net of tax) | (358.74) | - | - | 242.38 | - | (116.36) |
| Total comprehensive income for the year | 19,372.74 | - | - | 242.38 | - | 19,615.12 |
| Balance as at March 31, 2022 | 1,16,044.50 | 328.57 | 1,716.27 | 423.97 | - | 1,18,513.31 |
| Profit for the year | 19,485.94 | - | - | - | - | 19,485.94 |
| Other comprehensive income/ (loss) for the year (net of tax) | (123.67) | - | - | - | - | (123.67) |
| Loss on cash flow hedge reserve (net of tax) | - | - | - | - | (260.25) | (260.25) |
| Expenses towards Increase in authorised capital | (50.39) | - | - | - | - | (50.39) |
| Realised gain from debt instruments transferred to statement of Profit and Loss (net of tax) | - | - | - | (423.97) | - | (423.97) |
| Bonus shares issued during the year | (394.30) | (328.57) | (1,716.27) | - | - | (2,439.14) |
| Total comprehensive income for the year | 18,917.58 | (328.57) | (1,716.27) | (423.97) | (260.25) | 16,188.52 |
| Balance as at March 31, 2023 | 1,34,962.08 | - | - | - | (260.25) | 1,34,701.83 |

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For and on behalf of the Board of Directors of

For **M S K A & Associates**
Chartered Accountants
Firm Registration No.: 105047W

Sheela Foam Limited
CIN: L74899DL1971PLC005679

Nipun Gupta
Partner
Membership No.: 502896

Rahul Gautam
Managing Director
DIN:00192999

Tushaar Gautam
Whole Time Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Place: Gurugram
Date: May 17, 2023

Place: Noida
Date: May 17, 2023

Md. Iqbal Ahmad
Company Secretary
Membership No.: A20921

Standalone Statement of Cash Flows

for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| A. Cash flow from operating activities | | |
| Profit before tax | 26,067.02 | 26,456.39 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 3,376.39 | 3,238.96 |
| Finance costs | 637.38 | 710.95 |
| Liabilities/provisions no longer required written back | (11.66) | (59.43) |
| Provision for doubtful receivables | 160.50 | - |
| Provision for warranty | 1,175.79 | 983.10 |
| Subsidy income | (2.84) | (2.84) |
| Bad debts written off | 36.41 | 34.18 |
| Fair value (gain) / loss on investments (net) | (872.62) | 382.97 |
| (Profit) / Loss on sale of investments (net) | (1,864.61) | (1,228.48) |
| (Profit) / Loss on sale of property, plant and equipment (net) | (48.56) | (107.95) |
| Net Loss on Foreign Currency Forward Contracts | 1,322.29 | - |
| Unrealised foreign exchange (gain) / loss (net) | (68.19) | (684.71) |
| Rental Income | (250.69) | (239.21) |
| Interest income | (3,709.60) | (3,980.33) |
| Operating profit before working capital changes | 25,947.01 | 25,503.60 |
| Changes in working capital: | | |
| Decrease in Inventories | 1,452.24 | 2,485.30 |
| (Increase) / Decrease in loans and trade receivables | (2,426.49) | 1,112.73 |
| Decrease / (Increase) in other financial and non-financial assets | (1,283.58) | (2,211.83) |
| (Decrease) / Increase in trade payables | (1,109.13) | (1,637.95) |
| (Decrease) / Increase in other financial liabilities, non-financial liabilities and provisions | (933.43) | 1,344.93 |
| Cash generated from operations | 21,646.62 | 26,596.78 |
| Income tax paid (net of refunds) | (6,837.68) | (7,032.31) |
| Net cash flow from operating activities (A) | 14,808.94 | 19,564.47 |
| B. Cash flow from investing activities | | |
| Purchase of property, plant and equipment and change in capital work-in-progress | (3,752.84) | (1,699.93) |
| Proceeds from Sale of property, plant and equipment | 173.11 | 438.30 |
| Capital Advances | 43.37 | - |
| Investment in shares of Subsidiary Companies (net) | - | (1,285.94) |
| Investment in bonds, debentures and mutual funds (net) | (12,694.00) | (19,799.70) |
| Loans given to Subsidiary Company | (4,200.00) | (2,922.79) |
| Repayment of loans by Subsidiary Company | 350.00 | - |
| Proceeds from bank deposits | 4.93 | - |
| Interest and principal received on lease receivable | 206.44 | 72.00 |
| Rental income (short term lease) | 250.69 | 239.21 |
| Interest income received | 5,277.56 | 3,925.91 |
| Net cash (used in) investing activities (B) | (14,340.74) | (21,032.94) |
| C. Cash flow from financing activities | | |
| Payment of lease liabilities (principal and interest) | (260.91) | (195.32) |
| Fees paid for increase in authorised share capital | (50.39) | - |
| Finance costs | (545.65) | (408.39) |
| Net Cash (used in) Financing Activities (C) | (856.95) | (603.71) |
| Net (decrease) / increase in cash and cash equivalents (A+B+C) | (388.75) | (2,072.18) |
| Cash and cash equivalents at the beginning of the year | 1,431.36 | 3,503.54 |
| Cash and cash equivalents at the end of the year | 1,042.61 | 1,431.36 |

Standalone Statement of Cash Flows

for the year ended March 31, 2023

Notes :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- Figures in bracket represents cash outflow.
- Components of cash and cash equivalents:

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Cash and cash equivalents | | |
| Cash on hand | 7.41 | 15.65 |
| Deposits having original maturity of less than 3 months | 1.00 | 933.87 |
| Balance with banks in current accounts | 1,034.20 | 481.84 |
| Balance as per Statement of Cash Flows | 1,042.61 | 1,431.36 |

- Changes in liabilities arising from financing activities:

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Lease liabilities | | |
| Lease liabilities at the beginning of the year | 1,939.84 | 199.19 |
| Addition during the year | 40.54 | 1,823.14 |
| Finance charges | 91.73 | 112.83 |
| Payment of lease liabilities | (260.91) | (195.32) |
| Cancellation / adjustments | (195.95) | - |
| Lease liabilities as at year end | 1,615.25 | 1,939.84 |

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For **M S K A & Associates**
Chartered Accountants
Firm Registration No.: 105047W

Nipun Gupta
Partner
Membership No.: 502896

Place: Gurugram
Date: May 17, 2023

For and on behalf of the Board of Directors of

Sheela Foam Limited
CIN: L74899DL1971PLC005679

Rahul Gautam
Managing Director
DIN:00192999

Place: Noida
Date: May 17, 2023

Tushaar Gautam
Whole Time Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Md. Iqbal Ahmad
Company Secretary
Membership No.: A20921

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 1 : COMPANY INFORMATION

Sheela Foam Limited ('the company') is a ISO 9001:2000 public limited company incorporated in India, with its registered office in New Delhi. The Company is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

The Company is pioneered in the manufacturing of polyurethane foams in India and has ten manufacturing facilities, using the state of the art technology at strategic locations across the country.

The standalone financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorized for issue on May 17, 2023.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance and Basis of Preparation

a. Basis of Preparation

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 the ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act. The standalone financial statements have been prepared on accrual and going concern basis. All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

The standalone financial statements have been prepared on a historical cost basis, except for the following :

- certain financial assets and liabilities (including derivative instruments), measured at fair value (refer accounting policy regarding financial instruments).
- defined benefit plans - plan asset measured at fair value.

b. Functional and presentation currency

The standalone financial statements are prepared in Indian Rupees ('₹'), which is the Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimal places, unless stated otherwise.

c. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it is

- expected to be realized, or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it is

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within 12 months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities:

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle:

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalent. The Company has identified twelve months as its operating cycle.

d. Use of estimates and judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as at Balance Sheet date, reported amount of revenue and expenses for the year and disclosure of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying standalone financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the standalone financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

These estimates and assumptions are based on the facts and events, that existed as at the date of Balance Sheet, or that occurred after that date but provide additional evidence about conditions existing as at the Balance Sheet date.

Refer below for detailed discussion on estimates and judgments:

i. Useful lives of Property, Plant and Equipment

The Property, Plant and Equipment are depreciated on a pro-rata basis on written down value basis over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 2.2 below. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the financial position in future years.

ii. Retirement benefit obligation

The cost of retirement benefits and present value of the retirement benefit obligations in respect of Gratuity and Leave Encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, these retirement benefit obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long-term government bonds with extrapolated maturity corresponding to the expected duration of these obligations. The mortality rate is based on publicly available mortality table for the specific countries. Future salary, seniority, promotion and other relevant factors and pension increases are based on expected future inflation on a long-term basis. Further details about the assumptions used, including a sensitivity analysis are given in Note 44.

iii. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing

contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

iv. Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v. Impairment of Financial assets

The impairment provision of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.2 Property, Plant & Equipment

Property, Plant & Equipment are accounted for on historical cost basis (inclusive of the cost of installation and other incidental costs till the date of commencement of commercial production) net of recoverable taxes, less accumulated depreciation and impairment loss, if any. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are added to the existing asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs

Notes to Standalone Financial Statements

for the year ended March 31, 2023

and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation on property, plant & equipment is provided on a pro-rata basis on written down value basis, over the useful life of the assets estimated by management, in the manner prescribed in Schedule II of the Companies Act, 2013. Depreciation on sale/deduction from property, plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. The asset's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The property, plant and equipment costing upto ₹5,000/- are fully depreciated during the year of addition after retaining 5% as net residual value. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

| Asset | Useful life as per Schedule II of the Companies Act, 2013 (No. of Years) | Useful life as assessed / estimated by the Company (No. of Years) |
|-------------------------------------|--|---|
| Building | | |
| – Factory (Including roads & lanes) | 30 | 29 |
| – Office | 60 | 4-59 |
| – Residential | 60 | 59 |
| Plant & Equipment | 15 | 20 |
| Furniture & Fixtures | 10 | 15 |
| Vehicles | | |
| – Motor Cars | 8 | 10 |
| Office Equipment | 5 | 20 |
| Data Processing Equipment | | |
| – Computer Equipment | 3 | 6 |
| Electrical Fittings | 10 | 20 |

Based on usage pattern, technical evaluation and internal assessment, management believes the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Cost of leasehold land is amortized over the period of lease. Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of assets.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

2.3 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both and that is not occupied by the Company, is classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are added to the carrying amount only when it is probable that it will increase its useful life. All other repairs and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred. Though the Company measures investment property using cost based measurement, the fair value of the investment property is disclosed in the notes. Fair value is determined based on an annual evaluation performed by an accredited external independent valuer applying a recognized and recommended valuation model.

Depreciation on investment property, is provided on a pro-rata basis on a written down value basis, over the useful life of the property estimated by management, in the manner prescribed in Schedule II of the Act. The property's residual value, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The useful lives in the following cases are different from those prescribed in Schedule II of the Act:

| Asset | Useful life as per Schedule II of the Companies Act, 2013 (No. of Years) | Useful life as assessed / estimated by the Company (No. of Years) |
|---------------|--|---|
| Buildings : | | |
| – Factory | 30 | 29 |
| – Office | 60 | 59 |
| – Residential | 60 | 59 |

Based on usage pattern, technical evaluation and internal assessment, management believes the useful lives, as given above best represent the period over which the management expects to use the properties. Hence the useful lives of

Notes to Standalone Financial Statements

for the year ended March 31, 2023

these properties is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Investment property is derecognized when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss arising on de-recognition of the investment property is included in the Statement of Profit and Loss.

Transfers are made to/from investment property only when there is a change in its use. Transfers between investment property is made at the carrying amount of the property transferred.

Transition to Ind AS

On transition to Ind AS, since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its investment property as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., April 01, 2016.

2.4 Investment in Subsidiaries

Investments in subsidiaries are carried at cost, less accumulated impairment losses, if any. Where an indication of impairment exists the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

2.5 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

(a) Initial recognition and measurement

At initial recognition, all financial assets are recognized at its fair value plus, in the case of a financial asset not carried at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(b) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- a. at amortized cost;
- b. at fair value through other comprehensive income (FVTOCI); and

c. at fair value through profit and loss (FVTPL)

Where financial assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit and loss), or recognized in other comprehensive income (i.e. fair value through Other Comprehensive Income).

The classification of financial assets depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

(1) Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if both the following conditions are met:

| | |
|-----------------------------------|--|
| - Business Model Test: | The objective of the business model is to hold financial asset in order to collect contractual cash flows (rather than to sell the asset prior to its financial maturity to realize its fair value changes); and |
| - Cash Flow Characteristics Test: | The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding. |

This category is most relevant to the Company. After initial measurement, such financial asset are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to trade receivables, deposits with banks, security deposits, cash and cash equivalents, investments in securities and employee loans, etc.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(2) Financial instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

| | |
|-----------------------------------|--|
| - Business Model Test: | The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and |
| - Cash Flow Characteristics Test: | The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding. |

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Profit and Loss.

When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

(3) Financial instruments measured at Fair Value Through Profit and Loss (FVTPL)

Fair Value through Profit and Loss is a residual category. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified as FVTPL. Financial instruments included in FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements i.e. gain or loss and interest income are recorded in Statement of Profit and Loss. This category comprises of investments in mutual funds and market linked debentures.

(c) Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial Assets measured at amortized cost;
- Financial Assets measured at FVTOCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible defaults events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Financial assets that are debt instruments, and are measured at amortized cost i.e. trade receivables, deposits with banks, security deposits, employee loans, etc.
- Financial assets that are debt instruments and are measured at FVTOCI.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The trade receivables are initially recognized at the sale/recoverable value and are assessed at each Balance Sheet date for collectability. Trade receivables are classified as current assets, if collection is expected within twelve months as at Balance Sheet date, if not, they are classified under non-current assets.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months (Expected Credit Loss) ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on timely basis.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(d) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Balance Sheet) when:

- a. The rights to receive cash flows from the asset have been expired/transferred; or
- b. The Company retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, borrowings, security deposits and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in Other Comprehensive Income. These gains/ losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the Statement of other comprehensive income.

Borrowings & Security Deposits

Any difference between the proceeds (net of transaction costs) and the repayment amount is recognized in profit or loss over the period of the liability and subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR.

Financial Guarantee Contract

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Trade and other payables

Trade and other payables are obligations incurred by the Company towards purchase of raw material and other goods and availing the services that have been acquired or availed in the ordinary course of business. Trade and other payables are classified under current liabilities, if payment is due within 12 months as at Balance Sheet date, if not, they are classified under non-current liabilities.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms,

Notes to Standalone Financial Statements

for the year ended March 31, 2023

or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(iii) Offsetting of financial instruments :

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(iv) Derivative Financial Instruments :

Initial recognition and subsequent measurement

The Company uses derivative financial instruments to hedge its foreign currency risk and interest rate risk. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Statement of Profit or Loss and Other Comprehensive Income. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Hedge Accounting

The Company designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as cash flow hedges.

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements :-

There is an economic relationship between the hedged items and the hedging instruments,

- the effect of credit risk does not dominate the value changes that result from that economic relationship,
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking

various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit or Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit or Loss upon the occurrence of the underlying transaction.

2.6 Inventories

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, first-in-first-out cost method is used.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realizable value. Cost of work in progress and manufactured finished goods is determined on weighted average and its cost comprises of direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a first-in-first-out.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item-by-item basis.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, short term deposits with banks with original maturity of 3 months or less, highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

2.8 Impairment of Non-Financial Assets

The Company assesses at each year end whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('cash generating unit').

2.9 Provisions and Contingent Liabilities

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balance sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and

the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Provision for Warranty

Warranty provision is determined based on the historical percentage of warranty expense to sales for the same types of goods depending upon the warranty period offered. The percentage to the sales is applied to derive the warranty expense to be accrued. Actual warranty claims are settled against warranty provision. The warranty claims may not exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence. Closing warranty provision is bifurcated into Current and Non-current based on the past settlement trend with the non-current portion being discounted to derive the present value. The assumptions are consistent with prior years.

c) Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

2.10 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Ind AS 115 five step model is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Sales are recognized at the fair value of the consideration that can be reliably measured and reduced by variable consideration. Variable consideration includes sales returns, trade discounts, volume based incentives, and cost of promotional programs, indirect taxes as may be applicable.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

The Company provides various volume based rebates to certain customers once the goods are purchased by them above a certain threshold as specified in the scheme letter. Rebates outstanding at the balance sheet date are adjusted against the amount receivable from the customer. To estimate and recognise the liability for the incentives the company uses the methods which best predicts the amount of incentives and is primarily driven by the number of volume thresholds mentioned in the contracts.

i) Sale of goods - distributors

The company operates via chain of distributors selling mattresses and home comfort products. Revenue from the such sales is recognised when control of the products being sold is transferred to distributor and when there are no longer any unfulfilled obligations. As per company's policies the performance obligations are fulfilled at the time of dispatch from the factory or warehouse.

Company's contract with trade customers do not have financing component or non-cash consideration and the Company does not have any unbilled revenue or deferred revenue.

It is the company's policy to sell its products to the end customer with a right of return within a stipulated time period. Therefore, a refund liability (included in other current liabilities) and a right to recover the returned goods (included in other current assets) are recognised for the products expected to be returned, based on estimate. Historical data and past trends are used to estimate such returns. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

The company's obligation to replace faulty products under the standard warranty terms is recognised as a provision (Refer Note 25).

ii) Sale of goods - B2B

The company manufactures and sells a range of industrial foam and cushioning foam to B2B segment. Sales are recognised when control of the products has transferred, that is when the products are dispatched from the factory or the warehouse.

iii) Sale of services

The IT consulting division provides business IT management, design, implementation and support services under fixed-price and variable-price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Other Income

i) Interest income from Bonds

Interest income from bonds at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

ii) Rental income

Rental income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

iii) Guarantee Commission

The Company earns guarantee commission on the guarantee given to Bank for the credit facility availed by its foreign subsidiaries.

iv) Income from sale of investments

The Company earns profit/loss on sale of bonds and mutual funds. When these investments are sold, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss.

2.11 Government Grants / Subsidy

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities

Notes to Standalone Financial Statements

for the year ended March 31, 2023

as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

2.12 Employee Benefits

a. Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short-term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia, performance incentive/pay etc, are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b. Long Term Benefit

The employees of the Company are entitled to long service award (LSA), as retention earned leave, after completion of service of five years, which can be encashed or accumulated till retirement. The liability towards LSA is provided for on accrual basis as estimated by the management.

c. Post-Employment Benefits

i. Defined contribution plan:

(A) Provident fund:

Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(B) Employee's State Insurance Scheme:

Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

ii. Defined benefit plan

Gratuity:

The company provides for gratuity, a defined benefit plan ('the Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at

retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the Other Comprehensive Income in the year in which they arise. Liability is funded through a separate Gratuity Trust. The short/excess of gratuity liability as compared to the net fund held by the Gratuity Trust is accounted for as liability/asset as at the Balance Sheet date.

d. Other Long Term Benefits

Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under defined benefit plans can be encashed only on discontinuation of service by employee.

2.13 Leases

As a Lessee

The Company's lease assets classes primarily consist of leases for Land & Buildings. The Company assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee,

Notes to Standalone Financial Statements

for the year ended March 31, 2023

except for short-term leases and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense in the statement of profit and loss.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company separately recognizes the interest expense on the lease liability as finance cost and the depreciation expense on the right-of-use asset.

Payments associated with short-term leases of warehouses are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Company has applied the practical expedient wherein it relied on its assessment of whether leases are onerous immediately before the date of initial application.

As a Lessor

Lease income from operating lease is recognized on a straight-line basis or another systematic basis as per the terms of the relevant lease. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as lease income.

2.14 Foreign Currency Transactions

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the

exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.15 Taxation

Tax expense for the year comprises of Current Tax and Deferred Tax are included in the determination of the net profit or loss for the year.

a. Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b. Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-

Notes to Standalone Financial Statements

for the year ended March 31, 2023

assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.16 Dividend Distribution:

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Company and is declared by the shareholders. A corresponding amount is recognized directly in the Equity.

2.17 Earnings per Share:

Basic earnings per share is calculated by dividing net profit/loss of the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding without a corresponding change in the resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares

outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.18 Contributed Equity:

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.20 Standards (including amendments) issued but not yet effective.

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023, to amend certain Ind AS which are effective from April 01, 2023. Below is a summary of such amendments:

(i) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements

The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

The amendments are effective for annual reporting periods beginning on or after April 01, 2023. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(ii) Definition of Accounting Estimates - Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between

Notes to Standalone Financial Statements

for the year ended March 31, 2023

changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments are effective for annual reporting periods beginning on or after April 01, 2023. The amendments are not expected to have a material impact on the Company's financial statements.

2.21 Standards that became effective during the year

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from April 01, 2022.

(i) Onerous Contracts- Cost of Fulfilling a Contract - Amendments to Ind AS 37

Ind AS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Company has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to Ind AS 37 clarify, that the costs relating directly to the contract consist of both:

- The incremental costs of fulfilling that contract- e.g. direct labour and material; and
- An allocation of other costs that relate directly to fulfilling contracts: e.g. Allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

These amendments have no impact on the financial statements of the Company.

(ii) References to the Conceptual Framework - Amendments to Ind AS 103

The amendments update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendment also add a new exception in Ind AS 103 for liabilities and contingent liabilities.

These amendments have no impact on the financial statements of the Company.

(iii) Property, Plant and Equipment: Proceeds Before Intended Use- Amendment to Ind AS 16

The amendment to Ind AS 16 clarifies that any excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

These amendments had no impact on the year-end financial statements of the Company as there were no sales of such items.

(iv) Ind AS 109 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liability

The amendment clarifies which fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the year.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

| Particulars | Land - freehold | Buildings (Including Roads & Lanes) | Plant & Equipment | Furniture and fixtures | Vehicles | Office equipment | Electrical fittings | Total property, plant and equipment | Capital work-in-progress |
|----------------------------------|-----------------|-------------------------------------|-------------------|------------------------|-----------------|------------------|---------------------|-------------------------------------|--------------------------|
| At cost or deemed cost | | | | | | | | | |
| As at April 1, 2021 | 1,699.02 | 14,700.50 | 18,373.86 | 1,194.10 | 989.99 | 1,632.35 | 960.45 | 39,550.27 | 117.06 |
| Additions | - | 41.45 | 975.80 | 78.84 | 280.27 | 221.23 | 9.63 | 1,607.22 | 2,300.54 |
| Disposals/transfer* | - | (9.09) | (598.34) | (2.08) | (85.38) | (13.68) | (2.62) | (711.19) | (2,353.82) |
| As at March 31, 2022 | 1,699.02 | 14,732.86 | 18,751.32 | 1,270.86 | 1,184.88 | 1,839.90 | 967.46 | 40,446.30 | 63.78 |
| Additions | 29.11 | 1,872.64 | 933.63 | 61.12 | 485.79 | 243.52 | 2.03 | 3,627.84 | 980.66 |
| Disposals/transfer* | - | (9.02) | (166.83) | (17.40) | (80.82) | (86.69) | (0.23) | (360.99) | (855.66) |
| As at March 31, 2023 | 1,728.13 | 16,596.48 | 19,518.12 | 1,314.58 | 1,589.85 | 1,996.73 | 969.26 | 43,713.15 | 188.78 |
| Accumulated depreciation | | | | | | | | | |
| As at April 1, 2021 | - | 4,257.50 | 7,653.41 | 507.21 | 541.22 | 809.81 | 425.74 | 14,194.89 | - |
| Depreciation charge for the year | - | 1,047.44 | 1,559.13 | 129.72 | 134.34 | 180.74 | 74.32 | 3,125.70 | - |
| Disposals/adjustments | - | (1.46) | (302.31) | (1.46) | (60.56) | (9.64) | (0.41) | (375.84) | - |
| As at March 31, 2022 | - | 5,303.49 | 8,910.23 | 635.47 | 615.00 | 980.91 | 499.66 | 16,944.76 | - |
| Depreciation charge for the year | - | 1,242.00 | 1,382.71 | 128.20 | 203.56 | 273.66 | 65.06 | 3,295.19 | - |
| Disposals/adjustments | - | (3.03) | (107.32) | (7.77) | (44.96) | (73.15) | (0.20) | (236.43) | - |
| As at March 31, 2023 | - | 6,542.46 | 10,185.62 | 755.90 | 773.60 | 1,181.42 | 564.52 | 20,003.52 | - |
| Net carrying amount | | | | | | | | | |
| As at March 31, 2022 | 1,699.02 | 9,429.37 | 9,841.10 | 635.39 | 569.88 | 858.98 | 467.80 | 23,501.54 | 63.78 |
| As at March 31, 2023 | 1,728.13 | 10,054.02 | 9,332.50 | 558.68 | 816.25 | 815.31 | 404.74 | 23,709.63 | 188.78 |

*Capital work in progress 'Disposal/transfer' includes ₹ Nil (March 31,2022: ₹ 1,819 Lakhs) sold to its wholly owned subsidiary International Comfort Technologies Private Limited.

Notes:

- Property, plant and equipment has been pledged as security amounted ₹15,600 Lakhs (March 31, 2022: ₹ 15,600 Lakhs) against the financial guarantee of EURO 20 million on September 25, 2019 towards term loan granted by Citi Bank, Spain for its subsidiary Company International Foam Technologies S.L, Spain.
- Refer note no. 51 for disclosure of commitment for expenditure on account of acquisition of Property, plant and equipment.
- Refer note no. 43 for disclosure of title deeds of immovable properties not held in the name of the Company.
- Capital Work-in-progress represents assets under construction & installation at various sites and ageing analysis is as below:

(₹ in Lakhs)

| Capital Work-in-progress | March 31, 2023 | | | | | March 31, 2022 | | | | |
|--------------------------|--|-----------|-----------|-------------------|--------|--|-----------|-----------|-------------------|-------|
| | Amount in Capital Work-in-progress for a period of | | | | Total | Amount in Capital Work-in-progress for a period of | | | | Total |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 188.78 | - | - | - | 188.78 | 63.78 | - | - | - | 63.78 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 4 : RIGHT-OF-USE ASSETS

(₹ in Lakhs)

| Particulars | Leasehold land | Buildings | Total |
|--|-----------------|---------------|-----------------|
| Cost | | | |
| At April 1, 2021 | 2,046.03 | 31.97 | 2,078.00 |
| Additions | 173.52 | 275.49 | 449.01 |
| Disposal/transfer | (549.46) | - | (549.46) |
| As at March 31, 2022 | 1,670.09 | 307.46 | 1,977.55 |
| Additions | - | 40.54 | 40.54 |
| Disposal/transfer | (5.61) | (266.95) | (272.56) |
| As at March 31, 2023 | 1,664.48 | 81.05 | 1,745.53 |
| Accumulated Depreciation | | | |
| At April 1, 2021 | 41.66 | 21.35 | 63.01 |
| Charge for the year | 19.51 | 72.01 | 91.52 |
| Disposal/transfer | (12.10) | - | (12.10) |
| As at March 31, 2022 | 49.07 | 93.36 | 142.43 |
| Charge for the year | 20.51 | 40.49 | 61.00 |
| Disposal/transfer | - | (88.99) | (88.99) |
| As at March 31, 2023 | 69.58 | 44.86 | 114.44 |
| Net book value as at March 31, 2022 | 1,621.02 | 214.10 | 1,835.12 |
| Net book value as at March 31, 2023 | 1,594.90 | 36.19 | 1,631.09 |

(i) Refer note no. 46 for detailed disclosures as per Ind AS 116 'Leases'.

NOTE 5 : INVESTMENT PROPERTY

(₹ in Lakhs)

| Particulars | Leasehold land | Freehold land | Buildings | Total |
|--|----------------|---------------|---------------|---------------|
| Cost | | | | |
| At April 1, 2021 | 68.47 | 10.90 | 432.30 | 511.67 |
| Additions | - | - | - | - |
| Disposal/Transfer | - | - | - | - |
| As at March 31, 2022 | 68.47 | 10.90 | 432.30 | 511.67 |
| Additions | - | - | - | - |
| Disposal/Transfer | - | - | - | - |
| As at March 31, 2023 | 68.47 | 10.90 | 432.30 | 511.67 |
| Accumulated Depreciation | | | | |
| At April 1, 2021 | 4.55 | - | 122.68 | 127.23 |
| Charge for the year | 0.91 | - | 20.83 | 21.74 |
| Disposal/transfer | - | - | - | - |
| As at March 31, 2022 | 5.46 | - | 143.51 | 148.97 |
| Charge for the year | 0.91 | - | 19.29 | 20.20 |
| Disposal/transfer | - | - | - | - |
| As at March 31, 2023 | 6.37 | - | 162.80 | 169.17 |
| Net book value as at March 31, 2022 | 63.01 | 10.90 | 288.79 | 362.70 |
| Net book value as at March 31, 2023 | 62.10 | 10.90 | 269.50 | 342.50 |

Notes:

- Refer 'Para- 2.3' of Significant Accounting Policies' for depreciation and measurement of investment property.
- The leasehold land has been amortised during the year by ₹ 0.91 Lakhs (March 31, 2022: ₹ 0.91 Lakhs) as per the accounting policy in terms of the Ind AS 40 on 'Investment Property'.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

c. Income from investment property

(₹ in Lakhs)

| Particulars | As at | |
|---|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Rental Income derived from investment property | 216.63 | 214.73 |
| Profit arising from investment property before depreciation | 216.63 | 214.73 |
| (Less): Depreciation for the year | (20.20) | (21.74) |
| Net Profit arising from investment property | 196.43 | 192.99 |

d. The Company has obtained independent valuation for its investment properties at ₹ 2,884.95 Lakhs as on March 31, 2023 and ₹ 2,591.31 Lakhs as on March 31, 2022. These valuations are based on valuations performed by K.S. Agrawal Associates, an accredited independent valuer. K.S. Agrawal Associates is a specialist in valuing these types of investment properties and reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an asset of equivalent utility, depreciation and obsolescence.

Fair market value is the amount expressed in terms of money that may reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that Company shall continue to operate and run the assets to have economic utility. The fair value is on 'as is where is' basis.

- e. There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements thereof and there are no restrictions on remittance of income and proceeds of disposal.
- f. The investment properties which are leasehold properties, realisability of the same is subject to the terms and conditions under the respective lease agreements.
- g. The Company's Investment Properties are given on cancellable lease for a period 1-10 years.

NOTE 6 : INVESTMENTS IN SUBSIDIARIES

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|------------------|----------------------|------------------|
| | Number | ₹ in Lakhs | Number | ₹ in Lakhs |
| Investment in equity shares (Unquoted, at cost) (fully paid up) | | | | |
| Joyce Foam PTY. Limited - Face value per share of Aud \$ 10/- each | 6,58,500 | 2,306.59 | 6,58,500 | 2,306.59 |
| Divya Software Solutions Private Limited - Face value per share of ₹ 10/- each | 94,633 | 7,602.00 | 94,633 | 7,602.00 |
| Sleepwell Enterprises Private Limited - Face value per share of ₹ 10/- each | 10,500 | 109.20 | 10,500 | 109.20 |
| International Foam Technologies SL, Spain - Face value per share of Euro 1/-each | 1,20,03,000 | 9,638.86 | 1,20,03,000 | 9,638.86 |
| Staqo World Private Limited - Face value per share of ₹ 10/- each | 10,000 | 0.73 | 10,000 | 0.73 |
| International Comfort Technologies Private Limited - Face value per share of ₹ 10/- each | 1,00,000 | 10.00 | 1,00,000 | 10.00 |
| Total | 1,28,76,633 | 19,667.38 | 1,28,76,633 | 19,667.38 |
| Aggregate amount of Unquoted Investments | | 19,667.38 | | 19,667.38 |
| Aggregate amount of impairment in value of investments | | - | | - |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 6.1 : INFORMATION ABOUT SUBSIDIARIES

(%) of Shareholding

| Name of the Company and Country of Incorporation | Principal Activities | As at | |
|---|--|----------------|----------------|
| | | March 31, 2023 | March 31, 2022 |
| Joyce Foam PTY. Limited, Australia | Manufacturer of technical foam supplied to Business to Business customers (mattress and furniture manufacturers) | 100 | 100 |
| Divya Software Solutions Private Limited, India | Software development and related ancillary activities | 100 | 100 |
| Sleepwell Enterprises Private Limited, India | Providing of its Trademarks, Patents, Logos etc. and earning royalty thereon | 100 | 100 |
| International Foam Technologies SL, Spain | To invest in a Wholly Owned Subsidiary Company in Spain, engaged in manufacturing of Polyurethane Foam | 100 | 100 |
| Staqo World Private Limited, India | Information technology and related ancillary activities | 100 | 100 |
| International Comfort Technologies Private Limited, India | Manufacturer of mattresses supplied to domestic & overseas customers | 100 | 100 |

The country of incorporation or registration is also their principal place of business.

NOTE 7 : INVESTMENT IN PREFERENCE SHARES

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | Number | ₹ in Lakhs | Number | ₹ in Lakhs |
| Investment in 5% optionally convertible preference shares (Unquoted, at cost) (fully paid up) | | | | |
| International Comfort Technologies Private Limited of ₹ 10/- each | 2,99,00,000 | 2,990.00 | 2,99,00,000 | 2,990.00 |
| | 2,99,00,000 | 2,990.00 | 2,99,00,000 | 2,990.00 |
| Aggregate amount of Unquoted Investment | | 2,990.00 | | 2,990.00 |
| Aggregate amount of impairment in value of investment | | - | | - |

NOTE 8 : OTHER INVESTMENTS

(₹ in Lakhs)

| Particulars | As at | |
|---|-----------------|------------------|
| | March 31, 2023 | March 31, 2022 |
| In Bonds & Debentures - fully paid up | | |
| Carried at amortised cost - Unquoted | 0.35 | 0.35 |
| Carried at fair value through Other Comprehensive Income - Quoted | - | 47,876.02 |
| Carried at fair value through Profit & Loss - Unquoted | 5,640.94 | 5,006.80 |
| Total Investments | 5,641.29 | 52,883.17 |
| Aggregate amount of Quoted Investments | - | 47,876.02 |
| Market value of Quoted Investments | - | 47,876.02 |
| Aggregate amount of Unquoted investment | 5,641.29 | 5,007.15 |
| Aggregate amount of impairment in value of investments | - | - |

The above bonds and debentures carries coupon rate ranging from 8% to 10.50% (March 31, 2022: 8% to 10.50%).

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 9 : LOANS (NON CURRENT)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| (Unsecured, considered good) | | |
| At amortised cost | | |
| Loans to employees | 10.53 | 7.60 |
| Loan to Subsidiaries (refer note no. 45 & 69) | 12,218.61 | 7,770.40 |
| Total | 12,229.14 | 7,778.00 |

NOTE 10 : OTHER FINANCIAL ASSETS (NON CURRENT)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| (Unsecured, considered good) | | |
| Security deposits | 302.08 | 371.90 |
| Deposits with banks: | | |
| – held as margin money | 1.34 | 1.34 |
| Lease receivable (refer note no. 45 & 46B) | 1,394.65 | 1,533.85 |
| Total | 1,698.07 | 1,907.09 |

NOTE 11 : NON CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Advance income tax (net of provision of ₹ 12,814.16 Lakhs (March 31,2022: ₹ 24,690.64 Lakhs)) | 671.16 | 463.33 |
| Total | 671.16 | 463.33 |

NOTE 12 : OTHER NON CURRENT ASSETS

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------|-------------------------|-------------------------|
| (Unsecured, considered good) | | |
| Capital advances* | 137.83 | 181.20 |
| Prepaid rent | 38.48 | 38.82 |
| Loan & advances | 147.36 | 40.00 |
| Total | 323.67 | 260.02 |

*For value of Contracts in capital account remaining to be executed (refer note no. 51).

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 13 : INVENTORIES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| (Valued at lower of cost and net realisable value unless otherwise stated) | | |
| Raw materials | 8,129.77 | 8,999.79 |
| Raw materials (In transit) | 1,718.03 | 2,702.45 |
| Work-in-progress | 5,013.43 | 4,912.92 |
| Finished goods | 972.70 | 1,281.82 |
| Stock-in-trade | 1,429.24 | 840.21 |
| Packing materials | 536.34 | 726.38 |
| Packing materials (In transit) | 35.29 | 54.88 |
| Stores and spares | 1,041.18 | 797.06 |
| Stores & spares (In transit) | 18.39 | 31.10 |
| Total | 18,894.37 | 20,346.61 |

Notes:

- Value of inventories above is net of provision for slow moving/obsolete inventories amounting to ₹ 23.79 Lakhs (March 31, 2022: ₹ 10.89 Lakhs) for write-down to net realisable value and provision for slow-moving and obsolete items.
- Inventories held by Company are subject to hypothecation by bankers towards working capital limits obtained by the Company but not utilised till March 31, 2023.

NOTE 14 : INVESTMENTS

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| In Mutual Funds - fully paid up | | |
| Carried at fair value through profit and loss- Quoted | 70,647.60 | 8,398.45 |
| Total Investments | 70,647.60 | 8,398.45 |
| Aggregate amount of Quoted Investments | 70,647.60 | 8,398.45 |
| Aggregate market value of Quoted Investments | 70,647.60 | 8,398.45 |

NOTE 15 : TRADE RECEIVABLES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| (At amortised cost) | | |
| Unsecured | | |
| Trade receivables - considered good (refer note below) | 16,400.40 | 13,601.78 |
| Trade receivables - considered doubtful | 219.47 | 58.97 |
| Trade receivables (gross) | 16,619.87 | 13,660.75 |
| Less: Impairment allowance for trade receivables considered doubtful | (219.47) | (58.97) |
| Total | 16,400.40 | 13,601.78 |
| Further classified as | | |
| Receivable from related parties (refer note no. 45) | 4,209.84 | 198.81 |
| Receivable from others | 12,190.56 | 13,402.97 |
| | 16,400.40 | 13,601.78 |

Notes :

- No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.
- Trade receivables are usually non-interest bearing and are on trade terms of 0 - 60 days.
- For trade receivables, the Company has applied the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

d. Movement in the expected credit loss allowance

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Balance at the beginning of the year | 58.97 | 58.97 |
| Charge / (reversal) in allowance during the year (net) | 160.50 | - |
| Balance at the end of the year | 219.47 | 58.97 |

e. Refer note no. 49 for information about credit and market risk of trade receivables.

f. Realization from trade receivables held by Company are subject to hypothecation by bankers towards working capital limits obtained by the Company.

g. Below is the ageing analysis of trade receivables

As on March 31, 2023

(₹ in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|-----------------------|----------------------|---------------|-------------|----------------------|------------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | more than 3 years | |
| (i) Undisputed trade receivables | | | | | | | |
| – considered good | 8,866.60 | 7,359.73 | 93.11 | 53.78 | 5.84 | 21.34 | 16,400.40 |
| – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (ii) Disputed trade receivables | | | | | | | |
| – considered good | - | - | - | - | - | - | - |
| – which have significant increase in credit risk | - | 39.53 | 40.13 | 122.51 | - | 17.30 | 219.47 |
| Total | 8,866.60 | 7,399.26 | 133.24 | 176.29 | 5.84 | 38.64 | 16,619.87 |

As on March 31, 2022

(₹ in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|-----------------------|----------------------|--------------|--------------|----------------------|------------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | more than 3 years | |
| (i) Undisputed trade receivables | | | | | | | |
| – considered good | 7,702.42 | 5,790.49 | 67.32 | 6.92 | 2.97 | 28.86 | 13,598.98 |
| – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (ii) Disputed trade receivables | | | | | | | |
| – considered good | - | - | - | 2.80 | - | - | 2.80 |
| – which have significant increase in credit risk | - | 7.94 | 1.35 | 5.35 | 33.25 | 11.08 | 58.97 |
| Total | 7,702.42 | 5,798.43 | 68.67 | 15.07 | 36.22 | 39.94 | 13,660.75 |

NOTE 16 : CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Balance Sheet as follows:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Balance with banks : | | |
| Current accounts | 1,034.20 | 481.84 |
| Fixed deposits account with an original maturity of less than three months | 1.00 | 933.87 |
| Cash on hand | 7.41 | 15.65 |
| Total | 1,042.61 | 1,431.36 |

Notes:

a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior year.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

- b) Cash balances with bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of one to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

NOTE 17 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Deposits having original maturity more than 3 months but less than 12 months | 26.65 | 31.58 |
| Total | 26.65 | 31.58 |

Note:

Other bank balances represent fixed deposits with banks.

NOTE 18 : LOANS

| Particulars | (₹ in Lakhs) | |
|-------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (Unsecured, considered good) | | |
| At amortised cost | | |
| Loans to employees | 59.07 | 55.07 |
| Inter-corporate deposits | - | 500.00 |
| Total | 59.07 | 555.07 |

Note:

In the above, no loans or advances are granted to promoters, directors, KMPs and related parties.

NOTE 19 : OTHER FINANCIAL ASSETS (CURRENT)

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (Unsecured, considered good) | | |
| Interest accrued but not due on deposits with Banks, bonds and debentures | 5.57 | 1,983.16 |
| Interest accrued on loan given to subsidiary companies (refer note no. 45) | 403.82 | 83.27 |
| Insurance claim receivable | 0.22 | 0.11 |
| Other Receivables (refer note no. 45) | 88.88 | - |
| Lease receivable (refer note no. 45 & 46B) | 129.72 | 107.88 |
| Other loans & advances (refer note below) | 11.79 | 643.35 |
| Total | 640.00 | 2,817.77 |

Note:

Other loans & advances comprise of advances to staff for expenses and advances to other parties etc.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 20 : OTHER CURRENT ASSETS

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| (Unsecured, considered good) | | |
| Advance to contractors/suppliers | 1,429.90 | 651.87 |
| Balances with Statutory/Government authorities: | | |
| - Excise & Custom | 250.80 | 13.58 |
| - GST | 904.09 | 216.59 |
| - VAT/Sales Tax | 486.14 | 486.14 |
| Prepaid expenses (refer note (a)) | 418.84 | 322.32 |
| Lease equalisation | 68.24 | 66.33 |
| Right to recover return goods (refer note (b)) | 146.12 | 166.14 |
| Total | 3,704.13 | 1,922.97 |

Notes:

- (a) Prepaid expenses includes amount of ₹ 47 Lakhs towards amount available for set off in pursuant of sub-rule(3) of rule 7 of the Companies (Corporate social responsibility policy) rules, 2014 (refer note no. 57).
- (b) In certain cases, the Company provides its customers right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, the Company recognises liability for expected sales return, a receivables on expected sales return (and corresponding adjustment to change in inventory is also recognised for the receivables on expected sales return from a customer).

NOTE 21 : EQUITY SHARE CAPITAL

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| (a) Authorised share capital: | | |
| 20,00,00,000 fully paid equity shares of ₹ 5/- each (March 31, 2022 : 8,80,21,000 fully paid equity shares of ₹ 5/- each) | 10,000.00 | 4,401.05 |
| | 10,000.00 | 4,401.05 |
| Issued, subscribed & paid up share capital: | | |
| 9,75,65,616 fully paid equity shares of ₹ 5/- each (March 31, 2022 : 4,87,82,808 equity shares of ₹ 5/- each) | 4,878.28 | 2,439.14 |
| Total | 4,878.28 | 2,439.14 |

(b) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | Number of shares | ₹ in Lakhs | Number of shares | ₹ in Lakhs |
| At the beginning of the year | 4,87,82,808 | 2,439.14 | 4,87,82,808 | 2,439.14 |
| Bonus shares issued during the year (refer note no. 21(e)) | 4,87,82,808 | 2,439.14 | - | - |
| Outstanding at the end of the year | 9,75,65,616 | 4,878.28 | 4,87,82,808 | 2,439.14 |

(c) Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 5/- per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity Shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(d) Details of shareholders holding more than 5% shares in the Company

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---------------------------------|----------------------|--------------|----------------------|--------------|
| | Number of shares | % of holding | Number of shares | % of holding |
| Sh. Rahul Gautam | 1,24,18,970 | 12.73% | 62,09,485 | 12.73% |
| Smt. Namita Gautam | 1,14,31,758 | 11.72% | 57,15,879 | 11.72% |
| Sh. Tushaar Gautam | 3,41,72,628 | 35.03% | 1,70,86,314 | 35.03% |
| Rangoli Resorts Private Limited | 1,31,50,818 | 13.47% | 65,63,391 | 13.45% |
| SBI Magnum Midcap Fund | 84,70,282 | 8.68% | 43,84,301 | 8.99% |
| Kotak Emerging Equity Scheme | 63,00,647 | 6.46% | 30,84,942 | 6.32% |
| DSP Midcap Fund | 43,11,428 | 4.42% | 24,38,196 | 5.00% |

(e) Aggregate number and class of shares allotted as fully paid up by way of bonus shares

During the year 4,87,82,808 fully paid up equity shares of ₹ 5/- each, were allotted by way of bonus shares to all the shareholders in the ratio of 1:1.

(f) Shareholding of promoters & promoter group

| Shares held by promoters at the end of the year | As at March 31, 2023 | | | As at March 31, 2022 | | |
|---|----------------------|---------------|--------------------------|----------------------|---------------|--------------------------|
| | Number of shares | % of holding | % Change during the year | Number of shares | % of holding | % Change during the year |
| Sh. Rahul Gautam | 1,24,18,970 | 12.73% | - | 62,09,485 | 12.73% | - |
| Smt. Namita Gautam | 1,14,31,758 | 11.72% | - | 57,15,879 | 11.72% | - |
| Sh. Tushaar Gautam | 3,41,72,628 | 35.03% | - | 1,70,86,314 | 35.03% | - |
| Rangoli Resorts Private Limited | 1,31,50,818 | 13.47% | 0.02% | 65,63,391 | 13.45% | - |
| Core Mouldings Private Limited | - | - | -0.02% | 12,018 | 0.02% | - |
| Total | | 72.95% | | | 72.95% | |

(g) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end. However, certain bonus shares has been issued during the year, refer (e) above.

NOTE 22 : OTHER EQUITY

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Capital reserve (refer note (a) below) | - | 328.57 |
| General reserve (refer note (b) below) | - | 1,716.27 |
| Retained earnings | 1,34,962.08 | 1,16,044.50 |
| Other comprehensive income | - | 423.97 |
| Cash flow hedge reserve (refer note (c) below) | (260.25) | - |
| Total | 1,34,701.83 | 1,18,513.31 |

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------|----------------------|----------------------|
| Capital Reserve | | |
| Opening balance | 328.57 | 328.57 |
| Bonus shares issued during the year | (328.57) | - |
| Closing balance | - | 328.57 |
| General reserve | | |
| Opening balance | 1,716.27 | 1,716.27 |
| Bonus shares issued during the year | (1,716.27) | - |
| Closing balance | - | 1,716.27 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Retained earnings | | |
| Opening balance | 1,16,044.50 | 96,671.76 |
| Net profit for the year | 19,485.94 | 19,731.48 |
| Bonus shares issued during the year | (394.30) | - |
| Expenses towards Increase in authorised capital | (50.39) | - |
| Remeasurements of the net defined benefit plans (net of tax) | (123.67) | (358.74) |
| Closing balance | 1,34,962.08 | 1,16,044.50 |
| Other Comprehensive Income | | |
| Opening balance | 423.97 | 181.59 |
| Fair value gain/(loss) on debt instruments (net of tax) | - | 242.38 |
| Realised gain from debt instruments transferred to profit and loss (net of tax) | (423.97) | - |
| Closing balance | - | 423.97 |
| Cash flow hedge reserve | | |
| Opening balance | - | - |
| Loss on cash flow hedge reserve (net of tax) | (260.25) | - |
| Closing balance | (260.25) | - |

Notes:

(a) Capital reserve

During amalgamation of the subsidiaries in the year 2012-13, the excess of net assets taken, over the cost of consideration paid was treated as capital reserve. During the year, Company had issued bonus share in the ratio of 1:1 out of capital reserve of ₹328.57 Lakhs.

(b) General reserve

The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. During the year, Company had issued bonus share in the ratio of 1:1 out of general reserve of ₹1,716.27 Lakhs.

(c) Cash flow hedge reserve

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated under the heading of cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss.

NOTE 23 : LEASE LIABILITIES

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Lease liabilities (refer note no. 46A) | 1,615.25 | 1,939.84 |
| Total | 1,615.25 | 1,939.84 |
| Current | 127.06 | 113.12 |
| Non current | 1,488.19 | 1,826.72 |

NOTE 24 : OTHER NON CURRENT FINANCIAL LIABILITIES

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Deposits from dealers and others | 2,528.16 | 4,941.19 |
| Unearned Interest Income on deposits from dealers | - | 66.00 |
| Unearned Rent Income | 20.00 | 26.89 |
| Total | 2,548.16 | 5,034.08 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 25 : PROVISIONS

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Long-term provisions: | | |
| Provision for employee benefits: | | |
| – Compensated absences | 414.10 | 364.26 |
| Other provisions: | | |
| – Provision for warranty (refer note below) | 483.33 | 238.31 |
| Total | 897.43 | 602.57 |
| Short-term provisions: | | |
| Provision for employee benefits: | | |
| – Compensated absences | 9.66 | 9.35 |
| – Gratuity | 439.04 | 603.04 |
| Other provisions: | | |
| – Provision for warranty (refer note below) | 639.89 | 441.02 |
| Total | 1,088.59 | 1,053.41 |

Note:

Provision for warranty:

Provision is recognised for expected warranty claims on mattresses sold, based on past experience of the level of returns and in accordance with the Ind AS 37 “Provisions, Contingent Liabilities and Contingent Assets”. Assumptions used for the said provision are sales return trend based on past warranty sales. The table below gives information about movement in warranty provision:

| Particulars | (₹ in Lakhs) | |
|---------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| At the beginning of the year | 679.33 | 622.07 |
| Add : Created during the year | 1,175.79 | 983.10 |
| Less : Utilised during the year | (731.90) | (925.84) |
| At the end of the year | 1,123.22 | 679.33 |

NOTE 26 : OTHER NON CURRENT LIABILITIES

| Particulars | (₹ in Lakhs) | |
|------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Deferred capital grant | 19.85 | 22.70 |
| Total | 19.85 | 22.70 |

The table below gives information about movement in deferred capital grant:

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| At the beginning of the year | 25.52 | 28.36 |
| Less : Realised to statement of profit and loss | 2.83 | 2.84 |
| At the end of the year | 22.69 | 25.52 |
| Non Current | 19.85 | 22.70 |
| Current | 2.84 | 2.82 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 27 : DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------|-------------------------|-------------------------|
| Deferred tax liabilities (net) | 189.02 | 482.45 |
| Total | 189.02 | 482.45 |

Movement of deferred tax (assets)/liabilities

(₹ in Lakhs)

| Particulars | Opening balance | Recognised in the statement of profit or loss | Closing balance |
|---|--------------------|---|--------------------|
| As at March 31, 2023 | | | |
| Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting purposes | 316.63 | 261.04 | 577.67 |
| Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis | (291.02) | 181.44 | (109.58) |
| Fair value gain/(loss) on financial instruments at fair value through statement of profit or loss (net) | 62.48 | 157.87 | 220.35 |
| Remeasurements gain / (loss) of the net defined benefit plans | - | (41.59) | (41.59) |
| MTM loss on forward currency swap contract | - | (420.32) | (420.32) |
| Lease liabilities (net) | 387.94 | (370.25) | 17.69 |
| Others | 6.42 | (61.62) | (55.20) |
| Total | 482.45 | (293.43) | 189.02 |

(₹ in Lakhs)

| Particulars | Opening balance | Recognised in the statement of profit or loss | Closing balance |
|---|--------------------|---|--------------------|
| As at March 31, 2022 | | | |
| Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting purposes | 796.34 | (479.71) | 316.63 |
| Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis | (32.60) | (258.42) | (291.02) |
| Fair value gain/(loss) on financial instruments at fair value through statement of profit or loss (net) | 69.24 | (6.76) | 62.48 |
| Lease liabilities (net) | (4.00) | 391.94 | 387.94 |
| Others | - | 6.42 | 6.42 |
| Total | 828.98 | (346.53) | 482.45 |

NOTE 28 : TRADE PAYABLES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Trade payables other than acceptances: | | |
| (i) Total outstanding dues of micro enterprises and small enterprises (refer note no. 56) | 630.91 | 444.61 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 17,645.99 | 18,941.42 |
| Total | 18,276.90 | 19,386.03 |

Notes:

- Trade payables due to related parties are disclosed in note no. 45.
- Trade payables for micro and small enterprises are non interest bearing and are normally settled on 7 days to 30 days credit terms.
- Trade payables other than micro and small enterprises are non interest bearing and are normally settled on 60 days to 90 days credit terms.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

d. Ageing Analysis for Trade payables

As on March 31, 2023

(₹ in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|------------------|------------------|--------------|-------------|-------------------|------------------|
| | Unbilled Dues | Payables not due | Less than 1 Year | 1-2 years | 2-3 years | more than 3 years | |
| (i) MSME | - | 630.91 | - | - | - | - | 630.91 |
| (ii) Others | 394.67 | 17,133.25 | 99.05 | 18.54 | 0.48 | - | 17,645.99 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total | 394.67 | 17,764.16 | 99.05 | 18.54 | 0.48 | - | 18,276.90 |

As on March 31, 2022

(₹ in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|------------------|------------------|-------------|-------------|-------------------|------------------|
| | Unbilled Dues | Payables not due | Less than 1 year | 1-2 years | 2-3 years | more than 3 years | |
| (i) MSME | - | 444.61 | - | - | - | - | 444.61 |
| (ii) Others | 3,329.69 | 15,577.11 | 30.45 | 0.68 | 3.49 | - | 18,941.42 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total | 3,329.69 | 16,021.72 | 30.45 | 0.68 | 3.49 | - | 19,386.03 |

NOTE 29 : OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| Creditors for capital goods | 68.63 | 63.28 |
| Deposits from dealers and others | 6,283.61 | 3,996.74 |
| Liability against foreign currency swap contracts | 2,268.27 | - |
| Unearned Interest Income on deposits from dealers | - | 63.99 |
| Unearned rent Income | 6.89 | 6.87 |
| Total | 8,627.40 | 4,130.88 |

NOTE 30 : CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Income tax payable (Net of advance tax ₹ 6,700.35 Lakhs (March 31, 2022: ₹ Nil)) | 115.53 | - |
| Total | 115.53 | - |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 31 : OTHER CURRENT LIABILITIES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Refund liabilities | 235.95 | 265.82 |
| Deferred capital grant (refer note (a)) | 2.84 | 2.82 |
| Contract liabilities (refer note (b)) | 3,753.61 | 3,518.65 |
| Statutory dues payable | 1,575.51 | 1,368.51 |
| Employees & other Liabilities (refer note (c)) | 1,981.39 | 2,057.51 |
| Total | 7,549.30 | 7,213.31 |

Notes:

- Refer note no. 26 for the movement in deferred capital grant.
- Consists of advances received from customers towards supply of products.
- Consists of liabilities pertaining to employees of ₹ 1,894.43 Lakhs (March 31, 2022: of ₹ 2,025.79 Lakhs).

NOTE 32 : REVENUE FROM OPERATIONS

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Sale of products (refer note below) | 2,00,908.46 | 2,00,027.38 |
| Sale of services | 631.68 | 605.13 |
| | 2,01,540.14 | 2,00,632.51 |
| Other operating revenue | | |
| – Income from sale of processed scrap | 440.86 | 175.12 |
| – Other Operating Revenue | 0.56 | 13.36 |
| Total | 2,01,981.56 | 2,00,820.99 |

Note:

Includes sale of finished goods and semi-finished goods and services to related parties (refer note no. 45).

Reclassifications and comparative figures:-

Certain reclassifications have been made to the comparative year's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been reclassified in the statement of profit and loss, the details of which are as under:

Items of Statement of Profit and Loss before and after reclassification for the year ended March 31, 2022

(₹ in Lakhs)

| Particulars | Amount before reclassification | Reclassification | Amount after reclassification |
|----------------------------|-----------------------------------|------------------|----------------------------------|
| Revenue from operations | 2,12,443.99 | (11,623.00) | 2,00,820.99 |
| Cost of Materials Consumed | 1,25,119.54 | 3,475.00 | 1,28,594.54 |
| Other Expenses | 42,885.27 | (15,098.00) | 27,787.27 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 32.1 : DISAGGREGATED REVENUE INFORMATION

Set out below is the disaggregation of the Company's revenue from contracts with customers:

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Geographical Revenue | | |
| Type of goods | | |
| Revenue from external customers | 2,00,908.46 | 2,00,027.38 |
| Total revenue from contracts with customers | | |
| India | 1,99,653.77 | 1,95,442.02 |
| Outside India | 1,254.69 | 4,585.36 |
| | 2,00,908.46 | 2,00,027.38 |
| Type of services (IT Support Services) | | |
| Revenue from external customers | 631.68 | 605.13 |
| Total revenue from contracts with customers | | |
| India | 205.90 | 179.45 |
| Outside India | 425.78 | 425.68 |
| | 631.68 | 605.13 |
| Total revenue from contracts with customers | 2,01,540.14 | 2,00,632.51 |

NOTE 32.2 : CONTRACT BALANCES

The following table provides information about receivables and contract liabilities from contract with customers.

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Contract Liabilities | | |
| Advance from customers (refer note no. 31) | 3,753.61 | 3,518.65 |
| Receivables | | |
| Trade Receivables (refer note no. 15) | 16,400.40 | 13,601.78 |

Note :

Receivables is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the Company's obligation to transfer goods or services to a customer for which the Company has received consideration from the customer in advance.

Note 32.3 : RECONCILING THE AMOUNT OF REVENUE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS WITH THE CONTRACTED PRICE

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Revenue as per contracted price (goods and services) | 2,20,422.42 | 2,17,616.54 |
| Less: Adjustments: | | |
| Sales return | 793.37 | 1,260.72 |
| Rebate and discount | 18,088.91 | 15,723.31 |
| Revenue from contracts with customers | 2,01,540.14 | 2,00,632.51 |

NOTE 32.4 : PERFORMANCE OBLIGATIONS

The performance obligation for sale of product is considered as fulfilled according to the terms agreed with the respective customer.

The performance obligation for sale of services is satisfied over the period of time as per contract with customers.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 33 : OTHER INCOME

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Interest income from: | | |
| Financial assets at amortised cost | | |
| Bank deposits | 14.12 | 7.33 |
| Loan given to subsidiary companies (refer note no. 45) | 350.23 | 170.42 |
| Inter-corporate-deposit | 28.48 | 45.00 |
| Others | 194.61 | - |
| Financial assets at fair value | | |
| Currency swap forward contract | 335.17 | - |
| Bonds | 2,646.85 | 3,713.11 |
| Unwinding of discount of deposits & lease receivable | 140.14 | 38.58 |
| Income tax refund | 172.77 | 5.88 |
| Other non operating income | | |
| Guarantee commission (refer note no. 45) | 121.90 | 107.17 |
| Rental income (refer note (a)) | 250.69 | 239.21 |
| Gain on sale/disposal of fixed assets | 48.56 | 107.95 |
| Liabilities/provisions no longer required written back | 11.66 | 59.43 |
| Income from sale of Mutual fund - designated at fair value through profit and loss | 889.31 | 541.57 |
| Income from sale of bond - designated at fair value through other comprehensive income | 975.30 | 686.91 |
| Fair valuation adjustments of Investments through profit and loss (refer note (b)) | 872.62 | - |
| Subsidy income | 2.84 | 2.84 |
| Sale of non-processed scrap | 633.46 | 572.20 |
| Net gain on foreign currency transactions and translations | 88.53 | 684.71 |
| Other miscellaneous income | 84.03 | 40.07 |
| Total | 7,861.27 | 7,022.38 |

Notes:

- Includes rental income of ₹ 216.63 Lakhs (March 31, 2022: ₹ 214.73 Lakhs) from Investment property (refer note no. 5).
- Fair value through profit and loss of Investments represent fair valuation changes in mutual funds which includes dividend declared and not distributed (distributed based on record dates) as at reporting dates which have not been recognised in financial statements.

NOTE 34 : COST OF MATERIALS CONSUMED

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Raw material | | |
| Opening inventory | 11,702.24 | 15,016.93 |
| Add: Purchases | 1,08,959.99 | 1,22,234.22 |
| Less: Sales/adjustments | 4,597.98 | 4,445.35 |
| Less: Closing inventory (including goods in transit of ₹ 1,718.03 Lakhs (March 31, 2022: ₹ 2,702.45 Lakhs)) | 9,847.80 | 11,702.24 |
| Raw materials consumed | 1,06,216.45 | 1,21,103.56 |
| Packing Material | | |
| Opening inventory | 781.26 | 648.24 |
| Add: Purchases | 7,405.67 | 8,389.08 |
| Less: Sales/adjustments | 520.70 | 765.08 |
| Less: Closing inventory (including goods in transit of ₹ 35.29 Lakhs (March 31, 2022: ₹ 54.88 Lakhs)) | 571.63 | 781.26 |
| Packing materials consumed | 7,094.60 | 7,490.98 |
| Cost of materials consumed | 1,13,311.05 | 1,28,594.54 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 35 : PURCHASE OF STOCK-IN-TRADE

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Traded Goods -Bed sheets/comforters/PU foam/spring/coir mattresses | 14,887.73 | 5,331.06 |
| Total | 14,887.73 | 5,331.06 |

NOTE 36 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Closing stock: | | |
| Finished goods | 972.70 | 1,281.82 |
| Stock-in-trade | 1,429.24 | 840.21 |
| Work-in-progress | 5,013.43 | 4,912.92 |
| Right to recover return goods | 146.12 | 166.14 |
| | 7,561.49 | 7,201.09 |
| Opening stock: | | |
| Finished goods | 1,281.82 | 1,075.13 |
| Stock-in-trade | 840.21 | 138.23 |
| Work-in-progress | 4,912.92 | 5,122.10 |
| Right to recover return goods | 166.14 | - |
| | 7,201.09 | 6,335.46 |
| Changes in inventories of finished goods, stock in trade and work-in-progress | (360.40) | (865.63) |

NOTE 37 : OTHER MANUFACTURING EXPENSES

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|------------------------------|--------------------------------------|--------------------------------------|
| Power and fuel | 780.93 | 755.30 |
| Repair and maintenance: | | |
| – Buildings | 238.53 | 119.29 |
| – Plant and equipment | 941.60 | 906.46 |
| Processing and other charges | 1,664.95 | 1,620.77 |
| Total | 3,626.01 | 3,401.82 |

NOTE 38 : EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Salaries, wages, allowance, and other benefits | 12,391.62 | 11,275.92 |
| Contribution to gratuity (refer note no. 44) | 273.77 | 167.29 |
| Contribution to provident and other funds | 712.80 | 654.37 |
| Workmen and staff welfare | 1,141.29 | 1,090.43 |
| Total | 14,519.48 | 13,188.01 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 39 : FINANCE COSTS

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Interest expense (on financial liabilities measured at amortised cost) : | | |
| – Security deposits | 526.92 | 523.06 |
| – On lease liabilities | 91.73 | 112.83 |
| – Others | 7.16 | 50.77 |
| Bank Charges | 11.57 | 24.29 |
| Total | 637.38 | 710.95 |

NOTE 40 : DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Depreciation on property, plant and equipment (refer note no. 3) | 3,295.19 | 3,125.70 |
| Depreciation on right-of-use assets (refer note no. 4) | 61.00 | 91.52 |
| Depreciation on investment property (refer note no. 5) | 20.20 | 21.74 |
| Total | 3,376.39 | 3,238.96 |

NOTE 41 : OTHER EXPENSES

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| IT Support services | 1,640.25 | 1,320.00 |
| Freight and forwarding | 8,880.66 | 9,203.50 |
| Rent and hire | 388.75 | 151.30 |
| Insurance | 619.93 | 463.81 |
| Rates and taxes | 61.48 | 32.03 |
| Legal and professional | 1,200.25 | 657.30 |
| Other maintenance | 1,265.11 | 975.65 |
| Selling and promotion | 6,932.02 | 3,933.77 |
| Travelling and conveyance | 1,475.64 | 861.44 |
| Loss on sale/disposal of fixed assets | - | 5.11 |
| Warranty | 1,175.79 | 983.10 |
| Advertisement | 6,124.86 | 6,379.10 |
| Net Loss on foreign currency forward contracts | 1,322.29 | - |
| Advances/Balances written off | 36.41 | 34.18 |
| Provision for Bad debts | 160.50 | - |
| Contributions towards corporate social responsibility expenditure (refer note no. 57) | 476.02 | 457.53 |
| Fair value loss for investments designated through profit and loss | - | 382.97 |
| Miscellaneous | 2,018.21 | 1,946.48 |
| Total | 33,778.17 | 27,787.27 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 41.1 : Auditor's remuneration included in legal and professional (excluding GST)

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Statutory audit (including limited review)* | 32.00 | 36.00 |
| Certification* | 2.25 | 2.00 |
| Out of pocket expenses* | 1.84 | 1.00 |
| Total | 36.09 | 39.00 |

*Includes ₹ Nil (March 31, 2022 : ₹ 5.43 Lakhs) paid to erstwhile auditors.

NOTE 42 : EARNINGS PER SHARE

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Profit for the year attributable to Equity shareholders | 19,485.94 | 19,731.48 |
| Earnings used in the calculation of basic earnings per share | 19,485.94 | 19,731.48 |
| Earnings used in the calculation of diluted earnings per share | 19,485.94 | 19,731.48 |

(Numbers in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Weighted average number of equity shares for the purposes of basic and diluted earnings per share | 975.66 | 975.66 |

Note:

The EPS for year ended, March 31, 2022 has been adjusted on account of bonus issue made during the year ended March 31, 2023, as required by Ind AS 33 'Earnings per share'.

(₹ per share)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Basic and diluted earnings per share | 19.97 | 20.22 |

NOTE 43 :

There are no title deeds of Immovable Properties, which are not held in name of the Company.

NOTE 44 : EMPLOYEE BENEFITS

A. Defined contribution plans

Company's employees are covered by Provident Fund and Employees State Insurance Scheme/Fund and National Pension Scheme, to which the Company makes a defined contribution measured as a fixed percentage of salary. During the year, amount of ₹ 712.80 Lakhs (March 31, 2022: ₹ 654.37 Lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Employer's contribution towards Provident Fund (PF) | 621.20 | 564.52 |
| Employer's contribution towards Employees State Insurance (ESI) | 46.99 | 55.03 |
| Employer's contribution towards National Pension Scheme (NPS) | 44.61 | 34.82 |
| Total (refer note no. 38) | 712.80 | 654.37 |

B. Long Term Benefits

Long service award

Payable to the eligible employees as retention earned leave, after completion of service of five years, which can be en-cashed or accumulated till retirement. During the year Company had discontinued this policy. An amount of ₹ Nil (March 31, 2022: ₹ 146.01 Lakhs) has been charged to the Statement of Profit and Loss towards the said benefit.

C. Post employment benefits

Defined benefit plans

Gratuity

The employees' gratuity fund scheme, which is a defined benefit plan, is managed by a trust with effect from 2019 and is being maintained by SFL Employees gratuity trust. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure on 15 days of last drawn salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

This plan is governed by the Payment of Gratuity Act, 1972, which requires that each employee who has completed 5 years of service shall be entitled to gratuity which is equal to salary of 15 days for each completed year of service.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Discount rate | 7.36% | 7.51% |
| Future salary increase/salary escalation | 7.00% | 7.00% |
| Retirement age (years) | 60 | 60 |
| Mortality Tables | | |
| <i>Employee turnover</i> | | |
| 18 to 30 years | 3.40% | 3.00% |
| From 31 to 45 years | 3.70% | 2.00% |
| Above 45 years | 0.80% | 1.00% |

Notes:

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- Information given for retirement age is based on India's standard mortality table with modification to reflect expected changes in mortality/ others.

Quantitative sensitivity analysis for significant assumptions as at March 31, 2023 is shown below:

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Increase/(Decrease) on present value of defined benefits obligations at the end of the year | | |
| Discount rate | | |
| Increase by 1.00% | (296.17) | (270.71) |
| Decrease by 1.00% | 335.73 | 314.81 |
| Salary increase | | |
| Increase by 1.00% | 333.59 | 313.27 |
| Decrease by 1.00% | (299.67) | (274.26) |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss, Other Comprehensive Income and the funded status and amounts recognised in the Balance Sheet for the gratuity plan. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

Expense recognised in Statement of Profit and Loss and Other Comprehensive Income:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Service cost: | | |
| Current service cost | 215.04 | 163.83 |
| Past service cost and (gain)/loss from settlements | - | - |
| Net interest expense | 58.73 | 3.47 |
| Components of defined benefit costs recognised in profit or loss | 273.77 | 167.30 |
| Remeasurement on the net defined benefit liability: | | |
| Actuarial (gains)/losses arising from changes in financial assumptions | 50.67 | 483.82 |
| Actuarial (gains)/losses arising from experience adjustments | 135.84 | (9.79) |
| Return on Plan Asset | (21.24) | 5.37 |
| Components of defined benefit costs recognised in other comprehensive income | 165.27 | 479.40 |
| Total | 439.04 | 646.70 |

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Present value of funded defined benefit obligation | 2,908.65 | 2,441.60 |
| Fair value of plan assets | (2,469.61) | (1,838.56) |
| Net deficit in funded plan (refer note no. 25) | 439.04 | 603.04 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Movements in the present value of the defined benefit obligation are as follows:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Opening defined benefit obligation | 2,441.60 | 1,821.01 |
| Current service cost | 215.04 | 163.83 |
| Interest cost | 183.36 | 128.93 |
| Remeasurement (gains)/losses: | | |
| Actuarial gains and losses arising from changes in demographic assumptions | 1.35 | - |
| Actuarial gains and losses arising from changes in financial assumptions | 49.32 | 415.32 |
| Actuarial gains and losses arising from experience adjustments | 135.84 | (9.79) |
| Benefits paid | (117.86) | (77.70) |
| Closing defined benefit obligation | 2,908.65 | 2,441.60 |

Change in plan assets are as follows:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Opening fair value of plan assets | 1,838.56 | 1,850.54 |
| Return on plan assets | 124.61 | 125.46 |
| Fund management charges | | |
| Employer contribution | 603.04 | 5.00 |
| Actuarial gain/loss on Asset | 21.24 | 5.37 |
| Benefits paid | (117.84) | (147.81) |
| Closing fair value of plan assets | 2,469.61 | 1,838.56 |

The major categories of plan assets:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------|-------------------------|-------------------------|
| Insurance products | 2,469.61 | 1,838.56 |
| Total | 2,469.61 | 1,838.56 |

Maturity profile of gratuity liability is as follows:

(₹ in Lakhs)

| Year | As at March 31, 2023 | As at March 31, 2022 |
|----------------|-------------------------|-------------------------|
| 0 to 1 year | 124.93 | 51.90 |
| 1 to 2 Year | 106.00 | 43.76 |
| 2 to 3 Year | 119.88 | 55.29 |
| 3 to 4 Year | 156.39 | 102.16 |
| 4 to 5 Year | 125.07 | 151.93 |
| 5 Year onwards | 2,276.38 | 2,036.56 |

Expected contribution to the fund in next year (₹ in Lakhs)

688.52

823.87

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

a. Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk. A portion of the funds are invested in equity securities. The Company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a

Notes to Standalone Financial Statements

for the year ended March 31, 2023

fixed range. Any deviations from the range are corrected by rebalancing the portfolio.

The Company intends to maintain the above investment mix in the continuing years.

b. Changes in discount rate:

A decrease in discount rate will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' assets holdings.

c. Inflation risks

Gratuity payments are not linked to inflation, so this is a less material risk.

The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company uses derivatives to manage some of its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets consists of unit linked group insurance plan which further invests in government and corporate bonds, equities, money market instruments & public deposits. The plan asset mix is in compliance with the requirements of the respective local regulations.

NOTE 45 : RELATED PARTY TRANSACTIONS

(A) Names of related parties and nature of relationship are given below :

| Relationship | Name of the party |
|--|---|
| A. Subsidiary companies (wholly owned) | Joyce Foam PTY Ltd., Australia |
| | Divya Software Solutions Private Limited, India |
| | Sleepwell Enterprises Private Limited, India |
| | International Foam Technologies S.L, Spain |
| | Staqo World Private Limited, India |
| | International Comfort Technologies Private Limited, India |
| B. Entities in which Key Management Personnel or their Relatives have significance influence | Rangoli Resorts Private Limited |
| | Core Moulding Private Limited (Merged with Rangoli Resorts Private Limited w.e.f 30.03.2022) |
| | Sleepwell Foundation (Trust) |
| C. Key management personnel | Mr. Rahul Gautam (Managing Director) |
| | Mrs. Namita Gautam (Wholetime Director) |
| | Mr. Tushaar Gautam (Wholetime Director) |
| | Mr. Rakesh Chahar (Wholetime Director) |
| D. Step-down Subsidiaries | Interplasp, S.L, Spain (Subsidiary of International Foam Technologies SL, Spain) |
| | Joyce WC NSW PTY Limited (Subsidiary of Joyce Foam PTY Ltd., Australia) |
| | Staqo World Kft. (Subsidiary of Staqo World Private Limited) |
| | Staqo Incorporated. (Subsidiary of Staqo World Private Limited) |
| | Staqo Technologies L.L.C (Subsidiary of Staqo World Private Limited) |

(B) Disclosure of transactions between the Company and related parties during the year:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|-----------------------------------|-----------------------------------|
| (i) Purchase of material/capital goods | | |
| Subsidiaries/Step-down subsidiary | | |
| Joyce Foam PTY Ltd., Australia | - | 0.16 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| International Comfort Technologies Private Limited, India | 1,584.04 | 315.96 |
| Interplasp, SL, Spain | - | 144.98 |
| | 1,584.04 | 461.10 |
| (ii) Sale of material/capital goods | | |
| Subsidiaries/Step-down subsidiary | | |
| Joyce Foam PTY Ltd., Australia | 24.23 | 29.57 |
| International Comfort Technologies Private Limited, India | 5,319.39 | 3,062.56 |
| Interplasp, SL, Spain | 54.95 | 193.71 |
| | 5,398.57 | 3,285.84 |
| Related entities | | |
| Sleepwell Foundation (Trust) | 0.18 | 0.36 |
| | 5,398.75 | 3,286.20 |
| (iii) Sale of IT support services | | |
| Subsidiary | | |
| Joyce Foam PTY Ltd., Australia | 425.78 | 425.68 |
| | 425.78 | 425.68 |
| (iv) Purchase of IT Support Services | | |
| Subsidiary | | |
| Staqo World Private Limited, India | 1,640.25 | 1,320.00 |
| | 1,640.25 | 1,320.00 |
| (v) Rent received | | |
| Subsidiaries | | |
| International Comfort Technologies Private Limited, India | 219.58 | 73.70 |
| Divya Software Solutions Private Limited, India | - | 0.05 |
| Sleepwell Enterprises Private Limited, India | - | 0.05 |
| | 219.58 | 73.80 |
| (vi) Royalty paid | | |
| Subsidiary | | |
| Sleepwell Enterprises Private Limited, India | 10.00 | 10.00 |
| | 10.00 | 10.00 |
| (vii) Investment made | | |
| Subsidiary | | |
| International Comfort Technologies Private Limited, India | | |
| - Equity share capital | - | 10.00 |
| - Optionally Convertible Preference share capital | - | 2,990.00 |
| | - | 3,000.00 |
| (viii) Key management personnel | | |
| Compensation of Key management personnel | | |
| Short-term Employee Benefits | 1,082.72 | 1,107.55 |
| Post Employment Benefits | 14.30 | 13.56 |
| | 1,097.02 | 1,121.11 |
| (ix) Rent paid | | |
| Subsidiaries | | |
| Divya Software Solutions Private Limited, India | 181.50 | 12.00 |
| Sleepwell Enterprises Private Limited, India | 33.48 | 33.21 |
| | 214.98 | 45.21 |
| (x) Contributions for CSR expenses | | |
| Related entities | | |
| Sleepwell Foundation (Trust) | 275.00 | 315.00 |
| | 275.00 | 315.00 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

| Particulars | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| (xi) Loan to subsidiary companies | | |
| International Comfort Technologies Private Limited, India | 4,200.00 | 10,800.00 |
| | 4,200.00 | 10,800.00 |
| (xii) Repayment of short-term advances/Loans by subsidiary companies | | |
| International Foam Technologies S.L, Spain | - | 125.26 |
| International Comfort Technologies Private Limited, India | 350.00 | 9,600.00 |
| | 350.00 | 9,725.26 |
| (xiii) Interest on loan given to subsidiary companies | | |
| International Comfort Technologies Private Limited, India | 206.30 | 87.15 |
| International Foam Technologies S.L, Spain | 143.93 | 83.27 |
| | 350.23 | 170.42 |
| (xiv) Guarantee Commission received | | |
| Subsidiary | | |
| Joyce Foam PTY Ltd., Australia | 121.90 | 107.17 |
| | 121.90 | 107.17 |
| (xv) Corporate guarantee utilised (net) | | |
| Subsidiaries | | |
| Joyce Foam PTY Ltd., Australia | 1,608.30 | 5,577.39 |
| International Foam Technologies S.L, Spain | (2,121.92) | (1,800.27) |
| International Comfort Technologies Private Limited, India | 5,566.77 | 7,600.00 |
| | 5,053.15 | 11,377.12 |

(C) Disclosure of balances outstanding at the end of the reporting year:

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (i) Subsidiary/step-down subsidiary | | |
| Lease Receivable | | |
| International Comfort Technologies Private Limited, India | 1,524.37 | 1,641.73 |
| | 1,524.37 | 1,641.73 |
| Trade payable | | |
| International Comfort Technologies Private Limited, India | - | 3.22 |
| | - | 3.22 |
| Trade receivable | | |
| International Comfort Technologies Private Limited, India | 3,993.28 | - |
| Joyce Foam PTY Ltd., Australia | 216.56 | 135.73 |
| Interplasp, SL, Spain | - | 63.08 |
| | 4,209.84 | 198.81 |
| Other receivables | | |
| Joyce Foam PTY Ltd., Australia | 68.64 | - |
| International Comfort Technologies Private Limited, India | 20.24 | - |
| | 88.88 | - |
| Contract Liabilities (Advance from Customer) | | |
| Interplasp, S.L, Spain | 1.29 | - |
| | 1.29 | - |
| Investments | | |
| Joyce Foam PTY Ltd., Australia | 2,306.59 | 2,306.59 |
| Divya Software Solutions Private Limited, India | 7,602.00 | 7,602.00 |
| Sleepwell Enterprises Private Limited, India | 109.20 | 109.20 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| International Foam Technologies SL, Spain | 9,638.86 | 9,638.86 |
| Staqa World Private Limited, India | 0.73 | 0.73 |
| International Comfort Technologies Private Limited, India | | |
| - Equity share capital | 10.00 | 10.00 |
| - Convertible Preference share capital | 2,990.00 | 2,990.00 |
| | 22,657.38 | 22,657.38 |
| Loan to subsidiary companies (refer note (a) below) | | |
| International Foam Technologies SL, Spain | 7,168.61 | 6,570.40 |
| International Comfort Technologies Private Limited, India | 5,050.00 | 1,200.00 |
| | 12,218.61 | 7,770.40 |
| Interest accrued on loan given to subsidiary Company | | |
| International Comfort Technologies Private Limited, India | 164.13 | - |
| International Foam Technologies SL, Spain | 239.69 | 83.27 |
| | 403.82 | 83.27 |
| Financial/Corporate guarantees (refer note (b) below) | | |
| Joyce Foam PTY Ltd., Australia | 9,858.25 | 8,249.95 |
| International Foam Technologies SL, Spain | 11,328.98 | 13,450.90 |
| International Comfort Technologies Private Limited, India | 13,166.77 | 7,600.00 |
| | 34,354.00 | 29,300.85 |
| Post employee benefit plan for the benefitted employees | | |
| SFL Employee Gratuity Trust | 439.04 | 603.04 |
| Payable to key managerial personnel | 680.42 | 748.02 |

Notes:

- a. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end for trade payables/receivables are unsecured and interest free and loan balances carry interest, further settlements occurs in cash. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- b. Details of financial/Corporate guarantees given are as below:
 - i. Company has given a Corporate guarantee of AUD 20 million on April 09, 2021 and an additional guarantee on December 20, 2022 of AUD 5 Million towards term loan granted by Citi Bank, Australia for its subsidiary Company Joyce Foam PTY Ltd., Australia.
 - ii. Company has given financial guarantee of EURO 20 million on September 25, 2019 towards term loan granted by Citi Bank, Spain for its subsidiary Company International Foam Technologies SL, Spain.
 - iii. Company has given Corporate guarantee of ₹ 7,000 Lakhs each on January 18, 2022 and January 19, 2022 towards term loan granted by Kotak Mahindra bank and JP Morgan Chase Bank N.A., India respectively for its subsidiary Company International Comfort Technologies Private Limited, India.

NOTE 46 : DISCLOSURES AS PER IND AS 116 'LEASES'

(A) Company as lessee

- (i) The Company's significant leasing arrangements are in respect of the following assets:

The Company has leases of land and buildings for offices, warehouses and service centres. Right of Use Assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The lease terms for leasehold buildings ranges between 3 years to 10 years.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(ii) The carrying amounts of lease liabilities and the movements during the year:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Opening Liabilities | 1,939.84 | 199.19 |
| Additions | 40.54 | 1,823.14 |
| Accretion of interest | 91.73 | 112.83 |
| Repayment of Lease liabilities | (260.91) | (195.32) |
| Cancellation/adjustments | (195.95) | - |
| Closing liabilities | 1,615.25 | 1,939.84 |
| Current | 127.06 | 113.12 |
| Non current | 1,488.19 | 1,826.72 |
| | 1,615.25 | 1,939.84 |

(iii) Maturity analysis of the lease liabilities:

(₹ in Lakhs)

| Contractual undiscounted cash flows | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| 3 months or less | 60.72 | 78.92 |
| 3-12 months | 181.31 | 241.74 |
| 1-2 years | 246.28 | 336.66 |
| 2-5 years | 807.38 | 778.35 |
| More than 5 years | 1,782.96 | 1,564.31 |
| Total undiscounted lease liability | 3,078.65 | 2,999.98 |
| Less: Impact of discounting and other adjustments | 1,463.40 | 1,060.14 |
| Lease liabilities | 1,615.25 | 1,939.84 |

(iv) The following are the amounts recognised in the Statement of Profit and Loss:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Finance cost | 91.73 | 112.83 |
| Depreciation and amortisation expense | 61.00 | 91.52 |
| Expenses relating to short term leases | 388.75 | 151.30 |

(v) The following are the amounts disclosed in the Statement of Cash Flows:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--------------------------|--------------------------------------|--------------------------------------|
| Cash outflow from leases | 260.91 | 195.32 |

(vi) There are no variable lease payments considered in the initial measurement of the lease liability and asset.

(vii) Extension and termination options held are exercisable based on mutual agreement of the Company and the lessors.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(B) Company as lessor

- (i) The Company has entered into lease agreements to lease the following properties which have been treated as "Investment Property".

| | |
|--|--|
| Land & Factory Building situated at Sikkim | The lease agreement was executed w.e.f. 1st December, 2016. The said lease is for a term of 10 years with a clause to enable upward revision of the rental charge after every 3 years. The total rent recognized as income during the year is ₹ 160.60 Lakhs (March 31, 2022: ₹ 158.40 Lakhs). |
| Residential Flat situated at Greater Noida | The lease agreement was executed w.e.f. 15th September, 2018. The said lease was initially for a term of 11 months with a clause of subsequent renewal by mutual consent and the same being ongoing renewed. The total rent recognized as income during the year is ₹ 8.52 Lakhs (March 31, 2022: ₹ 7.20 Lakhs). |
| Land & Factory Building situated at Silvassa | The lease agreement was executed w.e.f. 31st August, 2020. The said lease is for an initial period of 3 years with a clause of automatically renewal for year-on-year basis until receive termination from party. Lease rent will be increased by 5% if both parties agreed on year-on-year basis. The total rent recognized as income during the year is ₹ 47.51 Lakhs (March 31, 2022: ₹ 49.13 Lakhs). |

- (ii) Company has entered agreement to lease its property at Nandigram to its subsidiary Company for a term of 9 years in Financial year ended March 31, 2022.

- (iii) The carrying amounts of lease receivables and the movements during the year:

| Particulars | (₹ in Lakhs) | |
|------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Opening balance | 1,641.73 | - |
| Additions | - | 1,659.31 |
| Accretion of interest | 89.08 | 54.42 |
| Received | (206.44) | (72.00) |
| Closing balance | 1,524.37 | 1,641.73 |
| Current | 129.72 | 107.88 |
| Non current | 1,394.65 | 1,533.85 |
| | 1,524.37 | 1,641.73 |

- (iv) Maturity analysis of the lease receivable:

| Contractual undiscounted cash flows | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| 3 months or less | 52.87 | 51.83 |
| 3-12 months | 163.90 | 160.68 |
| 1-2 years | 227.60 | 223.14 |
| 2-5 years | 753.40 | 738.63 |
| More than 5 years | 715.94 | 1,008.21 |
| Total undiscounted lease asset | 1,913.71 | 2,182.49 |
| Add: Impact of interest accruals | (389.34) | (540.76) |
| Lease receivable as at March 31, 2023 | 1,524.37 | 1,641.73 |

- (v) The following are the amounts recognised in the Statement of Profit and Loss:

| Particulars | (₹ in Lakhs) | |
|-----------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Interest income | 89.08 | 54.42 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(vi) The following are the amounts disclosed in the Statement of Cash Flows:

| Particulars | (₹ in Lakhs) | |
|-------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Cash inflow from leases | 206.44 | 72.00 |

NOTE 47 : FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The Company has disclosed financial instruments such as loans, investment in preference shares, trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

NOTE 48 : FAIR VALUE HIERARCHY

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1** - The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.
- **Level 2** - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- **Level 3** - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in preference shares, other investments, loans receivables and lease receivables included in level 3.

Valuation Processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO) including Board of Directors. Discussions of valuation processes and results are held between the CFO and the valuation team every month. The Company takes the help of independent valuers for valuation purposes.

Fair Valuation Technique

The carrying amounts of trade receivables, trade payables, creditors towards capital goods, cash and cash equivalents, investment in pref. share, other investment and other bank balances are considered to be the same as their fair values, due to their short-term nature.

The fair values of financial assets and liabilities consisting of loans receivable, lease receivable, lease liabilities, security deposits receivable and security deposit payable were calculated based on cash flows discounted using estimated borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2023:

Fair Value measurement hierarchy of Assets:

(₹ in Lakhs)

| Particulars | Date of Valuation | Fair value measurement using | | | |
|---|-------------------|------------------------------|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial Assets measured at fair value through profit and loss | | | | | |
| Other Investments | March 31, 2023 | 76,288.54 | 70,647.60 | 5,640.94 | - |
| Financial Assets measured at fair value through other comprehensive income | | | | | |
| Other Investments | March 31, 2023 | - | - | - | - |
| Financial Assets measured at amortized cost | | | | | |
| Investment in preference shares | March 31, 2023 | 2,990.00 | - | - | 2,990.00 |
| Other Investments | March 31, 2023 | 0.35 | - | - | 0.35 |
| Loans | March 31, 2023 | 12,288.21 | - | - | 12,288.21 |
| Trade receivables | March 31, 2023 | 16,400.40 | - | - | 16,400.40 |
| Cash and cash equivalents | March 31, 2023 | 1,042.61 | - | - | 1,042.61 |
| Bank balances other than cash and cash equivalents | March 31, 2023 | 26.65 | - | - | 26.65 |
| Other financial assets | March 31, 2023 | 2,338.07 | - | - | 2,338.07 |

(₹ in Lakhs)

| Assets for which Fair Values are disclosed: | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Investment Property | 2,884.95 | 2,591.31 |

Fair Value measurement hierarchy of Liabilities:

(₹ in Lakhs)

| Particulars | Date of Valuation | Fair value measurement using | | | |
|---|-------------------|------------------------------|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial liabilities measured at amortized cost | | | | | |
| Lease liabilities | March 31, 2023 | 1,615.25 | - | - | 1,615.25 |
| Trade payables | March 31, 2023 | 18,276.90 | - | - | 18,276.90 |
| Other financial liabilities | March 31, 2023 | 11,175.56 | - | - | 11,175.56 |

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2022:

Fair Value measurement hierarchy of Assets:

(₹ in Lakhs)

| Particulars | Date of Valuation | Fair value measurement using | | | |
|---|-------------------|------------------------------|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial Assets measured at fair value through profit and loss | | | | | |
| Other Investments | March 31, 2022 | 13,405.25 | 8,398.45 | 5,006.80 | - |
| Financial Assets measured at fair value through other comprehensive income | | | | | |
| Other Investments | March 31, 2022 | 47,876.02 | - | 47,876.02 | - |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars | Date of Valuation | Fair value measurement using | | | |
|--|-------------------|------------------------------|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial Assets measured at amortized cost | | | | | |
| Investment in preference shares | March 31, 2022 | 2,990.00 | - | - | 2,990.00 |
| Other Investments | March 31, 2022 | 0.35 | - | - | 0.35 |
| Loans | March 31, 2022 | 8,333.07 | - | - | 8,333.07 |
| Trade receivables | March 31, 2022 | 13,601.78 | - | - | 13,601.78 |
| Cash and cash equivalents | March 31, 2022 | 1,431.36 | - | - | 1,431.36 |
| Bank balances other than cash and cash equivalents | March 31, 2022 | 31.58 | - | - | 31.58 |
| Other financial assets | March 31, 2022 | 4,724.86 | - | - | 4,724.86 |

Fair Value measurement hierarchy of Liabilities:

(₹ in Lakhs)

| Particulars | Date of Valuation | Fair value measurement using | | | |
|---|-------------------|------------------------------|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial liabilities measured at amortized cost | | | | | |
| Lease liabilities | March 31, 2022 | 1,939.84 | - | - | 1,939.84 |
| Trade payables | March 31, 2022 | 19,386.03 | - | - | 19,386.03 |
| Other financial liabilities | March 31, 2022 | 9,164.96 | - | - | 9,164.96 |

NOTE 49 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, comprise of deposits from dealers, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. Further, the Company has financial risk / exposure of financial guarantees given to the banks towards security against the loans taken by its subsidiaries, however, considering that there is no expected credit losses, there is no financial liability as at the year end on this account. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include deposits from dealers, investments and foreign currency receivables and payables.

The sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

The analysis exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations, provisions and the non-financial assets and liabilities.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2023 and March 31, 2022.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. The Company is exposed to foreign currencies such as "USD", "AED", "AUD", "GBP" and "EURO".

The carrying amount of the foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

| (₹ in Lakhs) | | | |
|---------------------------------|----------|-------------------------|-------------------------|
| Particulars | Currency | As at March 31, 2023 | As at March 31, 2022 |
| Trade payables | USD | (2,358.02) | (1,961.53) |
| | EURO | (32.36) | (47.79) |
| | GBP | (20.00) | (19.28) |
| | AUD | (0.15) | (0.16) |
| Trade receivables | USD | 204.06 | 178.82 |
| | AUD | 285.35 | 135.89 |
| | AED | 166.55 | - |
| | EURO | - | 59.39 |
| Interest Accrued | EURO | 239.69 | 83.27 |
| Loan to Subsidiary Company | EURO | 7,168.61 | 6,570.40 |
| Bank balance | USD | - | 1.36 |
| | AED | - | 0.11 |
| Net Assets/(Liabilities) | | 5,653.73 | 5,000.48 |

Foreign currency sensitivity analysis

The Company is mainly exposed to USD, EURO, GBP, AED and AUD. The following table demonstrate the sensitivity to a reasonably possible change in respective exchange rates, with all other variables held constant.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for sensitivity change in foreign currency rates. A positive number below indicates an increase in profit or equity and vice-versa.

Foreign currency sensitivity

| (₹ in Lakhs) | | | | |
|--------------|-----|-------------------------|-----|-------------------------|
| Currency | % | As at March 31, 2023 | % | As at March 31, 2022 |
| USD | 2% | (43.08) | 2% | (35.63) |
| USD | -2% | 43.08 | -2% | 35.63 |
| EURO | 3% | 221.28 | 3% | 199.96 |
| EURO | -3% | (221.28) | -3% | (199.96) |
| GBP | 2% | (0.40) | 2% | (0.39) |
| GBP | -2% | 0.40 | -2% | 0.39 |
| AUD | 4% | 11.41 | 4% | 5.43 |
| AUD | -4% | (11.41) | -4% | (5.43) |
| AED | 2% | 3.33 | 2% | 0.00 |
| AED | -2% | (3.33) | -2% | (0.00) |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(ii) Interest risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises mainly of interest-bearing deposits with dealers, however, these are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

(iii) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of bedding articles, home comfort products, furniture cushioning and specialized foam and therefore require a continuous supply of raw materials i.e. TDI and Polyol being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the TDI and Polyol, the Company has entered into various purchase contracts for these material for which there is an active market. The Company's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for the purchase of these material and further the Company increases prices of its products as and when appropriate to minimize the impact of increase in raw material prices.

b) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

(i) Trade receivables

Customer credit risk is managed by the Company through its established policies and procedures which involve setting up credit limits based on credit profiling of individual customers, credit approvals for enhancement of limits and regular monitoring of important developments viz. payment history, change in credit limits, regulatory changes, industry outlook etc. Outstanding receivables are regularly monitored and an impairment analysis is performed at each reporting date on an individual basis for each major customer. In accordance with Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or reversal thereof. Concentration of credit risk with respect to trade receivables are limited, due to Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on monthly basis.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits, bonds, debentures and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2023 and March 31, 2022 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

| Particulars | (₹ in Lakhs) | |
|------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Non-current assets | | |
| Other Investments | 5,641.29 | 52,883.17 |
| Loans | 12,229.14 | 7,778.00 |
| Other non-current financial assets | 1,698.07 | 1,907.09 |
| Current assets | | |
| Other Investments | 70,647.60 | 8,398.45 |
| Trade receivables | 16,400.40 | 13,601.78 |
| Cash and cash equivalents | 1,042.61 | 1,431.36 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Bank balances other than cash and cash equivalents | 26.65 | 31.58 |
| Loans | 59.07 | 555.07 |
| Other current financial asset | 640.00 | 2,817.77 |
| Total | 108,384.83 | 89,404.27 |

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short-term bank deposits and short term investments. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be very low.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

| Particulars | (₹ in Lakhs) | | |
|-----------------------------|------------------|------------------|------------------|
| | Less than 1 Year | More than 1 Year | Total |
| As at March 31, 2023 | | | |
| Trade payables | 18,257.88 | 19.02 | 18,276.90 |
| Other financial liabilities | 8,627.40 | 2,548.16 | 11,175.56 |
| Lease Liabilities | 127.06 | 1,488.19 | 1,615.25 |
| | 27,012.34 | 4,055.37 | 31,067.71 |
| As at March 31, 2022 | | | |
| Trade payables | 19,381.86 | 4.17 | 19,386.03 |
| Other financial liabilities | 4,130.88 | 5,034.08 | 9,164.96 |
| Lease Liabilities | 113.12 | 1,826.72 | 1,939.84 |
| | 23,625.86 | 6,864.97 | 30,490.83 |

NOTE 50: CAPITAL MANAGEMENT

The Company's objective in managing its capital is to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The Company considers the following components of its Balance Sheet to be managed capital: 1) Share Capital and 2) Other Reserves comprising of General Reserve and Retained Earnings. The Company's capital structure is based on the Management's assessment of the balances of key elements to ensure strategic decisions and day to day activities.

(₹ in Lakhs, unless otherwise stated)

| Particulars | | (₹ in Lakhs, unless otherwise stated) | |
|--|--------------------|---------------------------------------|-------------------------|
| | | As at March 31, 2023 | As at March 31, 2022 |
| Equity | | 4,878.28 | 2,439.14 |
| Other Equity | | 1,34,701.83 | 1,18,513.31 |
| Total equity | (i) | 1,39,580.11 | 1,20,952.45 |
| Borrowings (including lease liabilities) | | 1,615.25 | 1,939.84 |
| Less: cash and cash equivalents | | 1,042.61 | 1,431.36 |
| Total debt | (ii) | 572.64 | 508.48 |
| Overall financing | (iii) = (i) + (ii) | 1,40,152.75 | 1,21,460.93 |
| Gearing ratio (in %) | (ii)/ (iii) | 0.41% | 0.42% |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. The capital structure of the Company is managed with a view of the overall macro economic conditions and the risk characteristics of the underlying assets. The Company's policy is to maintain a strong capital structure with a focus to mitigate all existing and potential risks to the Company, maintain shareholder, vendor and market confidence and sustain continuous growth and development of the Company. The Company's focus is on keeping a strong total equity base to ensure independence, security, as well as high financial flexibility without impacting the risk profile of the Company. In order, to maintain or adjust the capital structure, the Company will take appropriate steps as may be necessary.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

NOTE 51 : COMMITMENTS FOR EXPENDITURE

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of ₹ 137.83 Lakhs (March 31,2022: ₹ 181.20 Lakhs)) | 67.52 | 379.12 |
| Other Commitment (Corporate Guarantee given to banks and financial institution against credit facilities availed by Subsidiary Companies, Entities under common control and others) (refer note no. 45) | 34,354.00 | 29,300.85 |
| Total | 34,421.52 | 29,679.97 |

NOTE 52 : CONTINGENT LIABILITIES

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Claims against the Company not acknowledged as debt (refer note below) | | |
| Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards | | |
| Sales tax | 439.99 | 480.99 |
| Entry tax | 194.11 | 194.11 |
| Income tax | 564.99 | 439.12 |
| Excise Duty | 410.57 | 410.57 |

Note:

The Company is contesting these demands and the management including its advisers are of the view that these demands may not be sustainable at the appellate level. The management believes that the ultimate outcome of these proceedings will not have any material adverse effect on the Company's financial position and results of operations. The Company does not expect any reimbursement in respect of these contingent liabilities, and it is not practicable to estimate the timing of cash outflows, if any, in respect of these matters, pending resolution of the appellant proceedings.

Notes to Standalone Financial Statements

for the year ended 31st March, 2023



NOTE 53 : DISCLOSURE REQUIRED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013.

| Name of the Investee | Nature of Transaction | Purpose for which it is utilized, interest rate and tenure | 2022-23 | | 2021-22 | |
|--|---|---|-----------------|---------------------|-----------------|---------------------|
| | | | During the Year | Outstanding Balance | During the Year | Outstanding Balance |
| | | | (₹ in Lakhs) | | | |
| Wholly Owned Subsidiaries | | | | | | |
| Joyce Foam Private Limited, Australia, | Investment in equity shares | Manufacturing of technical foam supplied to Business to Business customers (mattress and furniture manufacturers) in Australia. | - | 2,306.59 | - | 2,306.59 |
| Divya Software Solutions Private Limited, India | Financial Guarantee given | Corporate guarantee given to Citi bank for security towards long term working capital facility availed by the said Subsidiary. | 1,608.30 | 9,858.25 | - | 8,249.95 |
| Sleepwell Enterprises Private Limited, India | Investment in equity shares | Engaged in Software development and related ancillary activities | - | 7,602.00 | - | 7,602.00 |
| | Investment in equity shares | The Company, which is holding ownership of Sleepwell and other brands related to foam, mattress & other products. | - | 109.20 | - | 109.20 |
| | Investment in equity shares | To invest in a running Company in Spain, engaged in manufacturing of Polyurethane Foam. | - | 9,638.86 | - | 9,638.86 |
| | Financial Guarantee | Corporate guarantee given to citi bank for security towards long term availed by the said Subsidiary. | (2,121.92) | 11,328.98 | - | 13,450.90 |
| International Foam Technologies S.L., Spain | Loans | Manufacturer of technical foam supplied to Business to Business customers (mattress and furniture manufacturers) Interest charged - 1.25 % to 3.34% (1.25% in March 31, 2022) Tenure of Loan - To be repaid over the next 2 years after the repayment of Citi bank loan by them (citi bank loan to be repaid by Company with in 6 years from the date of disbursement) | 598.21 | 7,168.61 | - | 6,570.40 |
| Stago World Private Limited, India | Investment in equity shares | To carry on business of Information technology and related ancillary services. | - | 0.73 | - | 0.73 |
| | Investment in equity shares | Manufacturer of technical foam supplied to Business to Business customers (mattress and furniture manufacturers) | - | 10.00 | 10.00 | 10.00 |
| | Investment in 5% optionally convertible preference shares | Interest charged - 6.17 % to 8.17% (5.07% in March 31, 2022) | - | 2,990.00 | 2,990.00 | 2,990.00 |
| | Loan | Tenure of Loan - to be repaid after the cessation of Citi bank loan | 3,850.00 | 5,050.00 | 1,200.00 | 1,200.00 |
| International comfort Technologies Private Limited (w.e.f. 01-10-2021) | Corporate Guarantee | Corporate guarantee given to Kotak Mahindra bank and JPMorgan Chase Bank, N.A., India for security towards long term loan facility availed by the said Subsidiary. | 5,566.77 | 13,166.77 | 7,600.00 | 7,600.00 |

For above investment in equity and preference share, refer note no. 6.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 54 : SEGMENT INFORMATION

Operating segment information

The Company is engaged in the manufacturing of the products of same type/class and has no overseas operations/units and as such there is no reportable segment as per Indian Accounting Standard (Ind AS-108) dealing with the operating segments. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (“CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors of the Company.

Geographical information

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Revenue from external customers | | |
| Within India | 2,00,301.09 | 1,95,809.95 |
| Outside India | 1,680.47 | 5,011.04 |
| Total revenue | 2,01,981.56 | 2,00,820.99 |

The revenue information is based on location of customers.

Non-current operating assets

The Company has common non-current operating assets for domestic as well as overseas market. Hence, separate figures for these assets are not required to be furnished.

NOTE 55 : TRANSFER PRICING

The Company has appointed an independent consultant for conducting a Transfer Pricing Study to determine whether the transactions with associate enterprises undertaken during the financial year are on an “arm’s length basis”. The Transfer Pricing study under the Income Tax Act, 1961 in respect of transaction with the group companies for the financial year ended March 31, 2023 is not yet complete. Adjustments, if any, arising from Transfer Pricing study shall be accounted for as and when the study is completed. The management confirms that all international transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms. During the current year, the Transfer Pricing certificate under section 92E of Income Tax Act, 1961 for the year ended March 31, 2022 has been obtained and there are no adverse comments requiring adjustments.

NOTE 56 : EXPOSURE TOWARDS MICRO, SMALL AND MEDIUM ENTERPRISES

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| I The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company are as under: | | |
| (i) The principal amount and the interest due thereon remaining unpaid to any supplier | | |
| Principal amount: | 630.91 | 444.61 |
| Interest: | - | - |
| (ii) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ended | - | - |
| (iii) The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year) | - | - |
| (iv) The amount of interest accrued and remaining unpaid for the year ended | - | - |
| (v) The amount of further interest remaining due and payable for the earlier years | - | - |

The Information has been given in respect of such suppliers to the extent they could be identified as “Micro and Small” enterprises on the basis of information available with the Company. Further, the amount payable to these parties is not overdue hence no interest is required to provided/accrued as at March 31, 2023 and March 31, 2022.

II The credit period for purchase of goods and services are normally up to 30 days. No interest is chargeable on trade payables.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 57 : CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

As per provisions of Section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects as per the Schedule VII of the Companies Act, 2013.

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| a) Gross amount required to be spent as per section 135 of the Act | 476.02 | 409.07 |
| Add: Amount Unspent from previous years | - | - |
| Total Gross amount required to be spent during the year | 476.02 | 409.07 |
| b) Amount approved by the Board to be spent during the year | 523.02 | 457.53 |
| c) Amount spent during the year on | | |
| (i) Construction/acquisition of an asset | - | - |
| (ii) On purposes other than (i) above | 523.02 | 457.53 |
| d) Details related to amount spent | | |
| Contribution to Sleepwell Foundation Trust | 275.00 | 315.00 |
| Spent on Health Support , Promoting education including employment enhancing vocational skills | 248.02 | 142.53 |
| | 523.02 | 457.53 |
| e) Details of CSR expenditure in respect of other than ongoing projects | | |
| Balance (Short)/Excess as at opening | - | - |
| Amount deposited in Specified Fund of Schedule VII of the Act within 6 months | - | - |
| Amount required to be spent during the year | 476.02 | 457.53 |
| Amount spent during the year | 523.02 | 457.53 |
| Balance (Short) / Excess Spent at end of the year | 47.00 | - |

Note:

Corporate social responsibility expenses of Company are managed by related party - Sleepwell foundation (refer note no. 45).

NOTE 58 : DERIVATIVES AND HEDGING

(i) Classification of derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are accounted for at fair value through profit or loss. Information about the derivatives used by the Company and outstanding as at the end of the financial year is provided below:

(₹ in Lakhs)

| Particulars | Financial Assets | | Financial liabilities | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 |
| Derivatives designated as Hedging Instruments: | | | | |
| Cross currency interest rate swap | - | - | 945.98 | - |
| Derivatives not designated as Hedging Instruments: | | | | |
| Principal only swap | - | - | 1,322.29 | - |

(ii) Hedging activities

Foreign Currency Risk

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Derivatives designated as hedging instruments are accounted for as cash flow hedges.

(iii) Hedge Effectiveness

For derivatives designated as hedging instruments, there is an economic relationship between the hedged items and the hedging instruments as the terms of the hedge contracts match the terms of hedge items. The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and interest rate are identical to the hedged risk components. To test the hedge effectiveness, the Company compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

(iv) Source of Hedge ineffectiveness

For derivatives designated as hedging instruments, in case of foreign currency risk and interest rate risk, the main source of hedge ineffectiveness is the effect of the counterparty's credit risk on the fair value of hedge contracts, which is not reflected in the fair value of the hedged items. The effect of this is not expected to be material.

(v) Disclosures of effects of Cash Flow Hedge Accounting:

Hedging instruments

The Company has taken derivatives to hedge its loan given to its related party.

| (₹ in Lakhs) | | | |
|--|------------------|-------------|-------------------|
| Particulars | Less than 1 year | 1 to 5 year | More than 5 Years |
| Cross currency interest rate swap | | | |
| As at March 31, 2023 | | | |
| Nominal Amount | - | - | 6,416.80 |
| As at March 31, 2022 | | | |
| Nominal Amount | - | - | - |

(vi) The effect of the cash flow hedge in the Statement of Profit and Loss and Other Comprehensive Income is as follows:

| (₹ in Lakhs) | | |
|--|--|----------------------|
| Particulars | As at March 31, 2023 | As at March 31, 2022 |
| Cash flow Hedge Reserve at the beginning of the year | - | - |
| Total hedging (loss) recognised in other comprehensive income | (347.78) | - |
| Income tax on above | 87.53 | - |
| Ineffectiveness recognised in profit or loss | (1,322.29) | - |
| Line item in the statement of profit and loss that includes the recognised ineffectiveness | Net Loss on Foreign Currency Forward Contracts in "Other expenses" | - |
| Amount reclassified from Other comprehensive Income to profit or loss | - | - |
| Income tax on above | - | - |
| Cash flow Hedge Reserve at the end of the year | (260.25) | - |
| Line item in the statement of profit and loss that includes the reclassification adjustments | Not Applicable | - |

(vii) The outstanding position of derivative instrument is as under:

| Nature | Currency | Purpose | As at March 31, 2023 | | As at March 31, 2022 | |
|-----------------------------------|----------|--|----------------------------|------------------------------|----------------------------|------------------------------|
| | | | Nominal value (₹ in Lakhs) | Notional value (FC in Lakhs) | Nominal value (₹ in Lakhs) | Notional value (FC in Lakhs) |
| Cross currency interest rate swap | EURO | Hedging of Foreign Currency Loans Principal & Interest | 6,416.80 | 80.00 | - | - |
| Principal Only Swap | EURO | Hedging of equity investment in foreign subsidiary | 9,390.00 | 120.00 | - | - |
| Total | | | 15,806.80 | 200.00 | | |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Exchange rates used for conversion of foreign currency exposure:

| Currency | As at March 31, 2023 | As at March 31, 2022 |
|----------|-------------------------|-------------------------|
| EURO | 89.61 | 82.13 |

(viii) The impact of the hedging instruments on the statement of financial position is as under:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------------------|-------------------------|
| Nominal Amount | 6,416.80 | - |
| Carrying Amount (net) | 7,168.61 | - |
| Line item in the statement of financial position that includes Hedging Instruments | Other current financial liabilities | - |
| Change in fair value of the hedge item used as the basis for recognising hedge ineffectiveness for the year - gain/(loss) (net of tax) | (260.25) | - |

(ix) Hedge Items

The impact of the Hedged Items on the statement of financial position is as follows:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Balance in Cash flow hedge reserve as at the end of the year for continuing hedges (net of tax) | (260.25) | - |
| Change in value of the hedged item used for measuring ineffectiveness for the year (net of tax) | (260.25) | - |

(x) Particulars of unhedged foreign currency exposure as at balance sheet date:

| Particulars | Currency | As at March 31, 2023 | | As at March 31, 2022 | |
|----------------------------|----------|----------------------|------------|----------------------|------------|
| | | FC in Lakhs | ₹ in Lakhs | FC in Lakhs | ₹ in Lakhs |
| Trade payables | USD | (28.68) | (2,358.02) | (25.34) | (1,961.53) |
| | EURO | (0.36) | (32.36) | (0.55) | (47.79) |
| | GBP | (0.20) | (20.00) | (0.19) | (19.28) |
| | AUD | (0.00) | (0.15) | (0.00) | (0.16) |
| Trade receivables | USD | 2.48 | 204.06 | 2.42 | 178.82 |
| | AUD | 5.19 | 285.35 | 2.47 | 135.89 |
| | AED | 7.45 | 166.55 | - | - |
| | EURO | - | - | 0.72 | 59.39 |
| Interest Accrued | EURO | 2.67 | 239.69 | 1.00 | 83.27 |
| Loan to Subsidiary Company | EURO | - | - | 80.00 | 6,570.40 |
| Bank balance | AED | - | - | 0.01 | 0.11 |
| | USD | - | - | 0.02 | 1.36 |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 59 : INCOME TAX EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Current tax | | |
| In respect of current year | 6,815.87 | 7,054.57 |
| Tax expenses related to earlier years | (70.49) | (22.27) |
| | 6,745.38 | 7,032.30 |
| Deferred tax | | |
| Origination and reversal of temporary differences including tax impact on other comprehensive income | (293.43) | (346.52) |
| | (293.43) | (346.52) |
| Total income tax expense recognised in the current year including tax impact on other comprehensive income | 6,451.95 | 6,685.78 |

The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Profit before tax (Including Other comprehensive income) | 25,553.97 | 26,300.90 |
| Income tax expense calculated at 25.168% | 6,431.42 | 6,619.41 |
| Effect of income that is exempt from taxation | (15.89) | - |
| Effect of expenses that are not deductible in determining taxable profit | 405.65 | 115.15 |
| Effect of difference in tax rates | (101.52) | (39.25) |
| Others | (197.22) | 12.74 |
| | 6,522.44 | 6,708.05 |
| Adjustments recognised in the current year in relation to tax of prior years | (70.49) | (22.27) |
| Income tax expense recognised in the Statement of Profit and Loss | 6,451.95 | 6,685.78 |
| Effective Tax Rate | 25.25% | 25.42% |

NOTE 60 : THE CODE ON SOCIAL SECURITY 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Notes to Standalone Financial Statements

for the year ended 31st March, 2023

NOTE 61 : DISCLOSURE FOR SPECIFIC RATIOS

| Particulars | Formula | Particulars | | For the year ended March 31, 2023 | For the year ended March 31, 2022 | Variance | Reasons for variances |
|----------------------------------|---|---|---|-----------------------------------|-----------------------------------|----------|--|
| | | Numerator | Denominator | | | | |
| Current Ratio | Current Assets / Current Liabilities | Current Assets= Inventories+Financial assets+ Other current assets | Current Liabilities= Short Term Provisions+ Current Tax Liabilities+Other current liabilities | 3.11 | 1.54 | -102% | Substantial increase in current investment as compared to previous year |
| Debt equity Ratio | Debt / Equity | Debts = Lease liabilities | Equity = Equity share capital + Other Equity | 0.01 | 0.02 | 28% | Increase in other equity |
| Trade payable turnover Ratio | Net Credit Purchases / Average Trade Payables | Net credit purchases =Purchase of raw material and packing material +Purchase of traded goods +Other manufacturing expenses | Average Trade Payables (refer note no. 28) | 7.16 | 6.52 | -10% | |
| Net capital turnover Ratio | Revenue / Working Capital | Revenue =Revenue from operations | Working Capital= Current assets -Current Liabilities | 2.67 | 11.67 | 77% | There is reduction in Capital turnover ratio due to increase in working capital on account of increase in current investment |
| Debt Service coverage ratio | Net Operating Income / Debt Service | Net Operating Income = Profit before tax for the year + Finance costs + Depreciation and amortisation expense | Debt service=Finance costs + Lease payments | 37.30 | 38.32 | 3% | |
| Net Profit Ratio | Net Profit / Net Sales | Net Profit = Profit for the year | Net Sales =Revenue from operations | 0.10 | 0.10 | 2% | |
| Return on Equity Ratio | Profit after tax / Shareholder's Equity | Total comprehensive income for the year | Shareholders Equity= Total Equity | 0.14 | 0.16 | 16% | |
| Return on capital employed | EBIT / Capital Employed | EBIT= Profit before tax + Finance costs | Capital Employed = Total assets -current liabilities | 0.18 | 0.21 | 12% | |
| Inventory turnover Ratio | Cost of Goods Sold / Average Inventory | Cost of goods sold =Cost of material consumed +Purchase of traded goods +Other manufacturing expenses +Changes in inventories of finished goods , traded goods & work in progress | Average Inventory | 6.70 | 6.32 | -6% | |
| Return on investment | Net Profit / Net Investment | Net Profit= Profit before tax + Finance costs | Net Investment = Total Equity | 0.19 | 0.22 | 15% | |
| Trade receivables turnover ratio | Net Credit Sales / Average Trade Receivables | Net Credit sales =Revenue from operations | Average Trade Receivables | 13.46 | 13.43 | 0% | |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 62 : UTILISATION OF BORROWED FUNDS

- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 63 : EVENTS AFTER THE REPORTING PERIOD

There are no significant adjusting events after the reporting period.

NOTE 64 : DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

NOTE 65 : UNDISCLOSED INCOME

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

NOTE 66: DETAILS OF BENAMI PROPERTY HELD

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

NOTE 67: RELATIONSHIP WITH STRUCK OFF COMPANIES UNDER SECTION 248 OF THE COMPANIES ACT, 2013 OR SECTION 560 OF COMPANIES ACT, 1956

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

NOTE 68: RECONCILIATION OF QUARTERLY RETURNS OR STATEMENTS OF CURRENT ASSETS FILED WITH BANKS OR FINANCIAL INSTITUTIONS

As at March 31, 2023

| Quarter | Name of bank | Particulars of Securities Provided | Amount as per books of account (₹ in Lakhs) | Amount as reported in the quarterly statement (₹ in Lakhs) | Amount of difference | Reason for material discrepancies |
|---------|---|--|---|--|----------------------|-----------------------------------|
| Jun-22 | CITI BANK, KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 28,747.00 | 28,747.00 | - | |
| Sep-22 | CITI BANK, KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 31,359.00 | 31,359.00 | - | |
| Dec-22 | CITI BANK, KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 24,490.00 | 24,490.00 | - | |
| Mar-23 | CITI BANK, KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 29,274.00 | 29,274.00 | - | |

Notes to Standalone Financial Statements

for the year ended March 31, 2023

As at March 31, 2022

| Quarter | Name of bank | Particulars of Securities Provided | Amount as per books of account (₹ in Lakhs) | Amount as reported in the quarterly statement (₹ in Lakhs) | Amount of difference | Reason for material discrepancies |
|---------|---|--|---|--|----------------------|-----------------------------------|
| Jun-21 | CITI BANK, KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 23,930.09 | 23,930.09 | - | |
| Sep-21 | CITI BANK, KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 29,075.37 | 29,075.37 | - | |
| Dec-21 | CITI BANK, KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 27,449.27 | 27,449.27 | - | |
| Mar-22 | CITI BANK, KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 26,924.84 | 26,924.84 | - | |

NOTE 69: THE FOLLOWING DISCLOSURES SHALL BE MADE WHERE LOANS OR ADVANCES IN THE NATURE OF LOANS ARE GRANTED TO PROMOTERS, DIRECTORS, KMPs AND THE RELATED PARTIES (AS DEFINED UNDER COMPANIES ACT, 2013), EITHER SEVERALLY OR JOINTLY WITH ANY OTHER PERSON, THAT ARE:

| Type of Borrower | Particulars | | | March 31, 2023 | | March 31, 2022 | |
|--|--|--------------------------------|---|---------------------------------|------------|---------------------------------|------------|
| | Loans/Advances granted Individually or Jointly with other (₹ In Lakhs) | Repayable on demand (Yes / No) | Terms/Period of repayment is specified (Yes / No) | Amount outstanding (₹ In Lakhs) | % of Total | Amount outstanding (₹ In Lakhs) | % of Total |
| Related Parties (Subsidiary Companies) | 3,850.00 | Yes | Yes | 5,050.00 | 41.10% | 1,200.00 | 14.40% |
| | 598.21 | No | Yes | 7,168.61 | 58.34% | 6,570.40 | 78.85% |

NOTE 70: REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

| A brief description of the charges or satisfaction | The location of the Registrar | The period (in days or months) by which such charge had to be registered as on March 31, 2023 | The period (in days or months) by which such charge had to be registered as on March 31, 2022 | Reason for delay in registration |
|---|-------------------------------|---|---|--|
| The floating charge is created on current assets including book debt & on Immovable property or any interest therein. | ROC-DELHI | 30 days from the certified copy of hypothecation deed execute between bank & Company | 30 days from the certified copy of hypothecation deed execute between bank & Company. | There is no delay in registration of Charge. |

NOTE 71 : COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

NOTE 72:

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

NOTE 73: SCHEME OF AMALGAMATION WITH WOS OF THE COMPANY

The Scheme of Amalgamation of the wholly owned subsidiary of the Company, i.e., International Comfort Technologies Private Limited (“ICTPL” or “Transferor Company”) with Sheela Foam Limited (“SFL” or “Transferee Company”) and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Scheme”) is subject to necessary statutory and regulatory approvals including the approvals of National Company Law Tribunal, Bench at Delhi (“NCLT”). The same will be accounted for in the books of accounts, in accordance with appendix C to Ind AS-103 on the approval from NCLT.

NOTE 74: FOLLOWING ARE THE RECLASSIFICATIONS MADE IN THE PREVIOUS YEAR FIGURES TO MAKE THEM COMPARABLE/ BETTER PRESENTATION WITH THE CURRENT YEAR FIGURES:

(₹ in Lakhs)

| Particulars | March 31,2022 (Revised) | March 31,2022 (Published) | Nature |
|--------------------------------|----------------------------|------------------------------|------------------------|
| ASSETS | | | |
| Non Current Assets | | | |
| Other financial assets | 1,907.09 | 1,802.46 | Reclassification items |
| Non Current Tax Assets (Net) | 463.33 | 445.33 | Reclassification items |
| Current Assets | | | |
| Trade Receivable | 13,601.78 | 15,163.44 | Reclassification items |
| Other financial assets | 2,817.77 | 2,925.59 | Reclassification items |
| Other Current Assets | 1,922.97 | 1,937.78 | Reclassification items |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |
| Long Term Provisions | 602.57 | 1,408.32 | Reclassification items |
| Current Liabilities | | | |
| Trade payables | 18,941.42 | 20,503.08 | Reclassification items |
| Short term provisions | 1,053.41 | 247.66 | Reclassification items |
| Income | | | |
| Revenue from Operations | 2,00,820.99 | 2,12,443.99 | Reclassification items |
| Expenses | | | |
| Cost of materials consumed | 1,28,594.54 | 1,25,119.54 | Reclassification items |
| Other expenses | 27,787.27 | 42,885.27 | Reclassification items |

As per our report of even date

For **M S K A & Associates**
Chartered Accountants
Firm Registration No.: 105047W

Nipun Gupta
Partner
Membership No.: 502896

Place: Gurugram
Date: May 17, 2023

For and on behalf of the Board of Directors of

Sheela Foam Limited
CIN: L74899DL1971PLC005679

Rahul Gautam
Managing Director
DIN:00192999

Place: Noida
Date: May 17, 2023

Tushaar Gautam
Whole Time Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Md. Iqbal Ahmad
Company Secretary
Membership No.: A20921

Independent Auditor's Report

To the Members of Sheela Foam Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of Sheela Foam Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2023, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

DESCRIPTION OF KEY AUDIT MATTER

| Sr. No | Key Audit Matter | How the Key Audit Matter was addressed in our audit |
|--------|--|---|
| 1 | <p>Impairment of Goodwill</p> <p>Refer Note 2.1(d)(6) to the consolidated financial statements Group has a Goodwill on account of consolidation of ₹ 26,366.16 Lakhs as on March 31, 2023. In determining the fair value/value in use of subsidiaries, the Group has applied judgment in estimating future revenues, operating profit margins, longterm growth rate and discount rates. The carrying value of goodwill is tested annually for impairment. The Group performed its annual impairment test of goodwill and determined that there was no impairment.</p> <p>Due to the significance of the carrying value of goodwill and judgment involved in performing impairment test, we have identified this as a key audit matter</p> | <p>Description of Auditor's response:</p> <ul style="list-style-type: none"> • Obtained an understanding from the management with respect to process and controls followed by the Group and tested the design, implementation and operating effectiveness of controls over • the process of impairment assessment to perform annual impairment test related to goodwill. • Obtained the impairment analysis model from the management and reviewed their conclusions. • Tested the inputs used in the Model by examining the underlying data and validating the future projections by comparing past projections with actual results. |

| Sr. No | Key Audit Matter | How the Key Audit Matter was addressed in our audit |
|--------|--|--|
| | | <ul style="list-style-type: none"> Assessed the reasonableness of the assumptions used and appropriateness of the valuation methodology applied. Tested the discount rate and long term growth rates used in the forecast including comparison to economic and industry forecasts where appropriate. Reconciled the future operating cash flow forecasts with the business plan approved by the Company's board of directors. Evaluated the appropriateness of the disclosures made in the consolidated financial statement in relation to the above as required under applicable accounting standards. Verified the related disclosures made in notes to the financial statements in accordance with the requirements of the applicable accounting standards. |
| 2 | <p>Revenue recognition - Discounts and rebates</p> <p>Refer Note 2.10 to the consolidated financial statements, revenue is measured net of any trade discounts and volume rebates to customers (i.e, to the Wholesale traders and Retail traders).</p> <p>As per the secondary scheme, discounts and rebates are passed on to the customers only on secondary sales made by wholesaler to retailer. Further, certain discounts and rebates for goods sold during the year are only finalised when the precise amounts are known, and revenue therefore includes an estimate of variable consideration. This includes establishing an accrual at year end, particularly in arrangements with customers involving varying terms which are based on annual contracts or shorter-term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span beyond the year end. The unsettled portion of the variable consideration, results in accrual of discounts and rebates due to customers as at year end.</p> <p>Significant judgement is required in estimating accruals relating to secondary schemes recognized, based on sales made during the year.</p> <p>In view of above, accrual for discounts and rebates in relation to revenue recognition is identified as a key audit matter.</p> | <p>Description of Auditor's response:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the Company's revenue recognition accounting policies, including those relating to discounts, incentives and rebates as required under the applicable accounting standards. Understood the process followed by the Company to determine the amount of accrual for discounts and rebates. Verified the design and implementation and tested operating effectiveness of key application controls over the Company's automated systems and manual controls over rebates agreements/ arrangements, rebate payments / settlements and Company's review over the rebate accruals. Verified on a test check basis, key customer contracts to identify the relevant terms and conditions related to discounts and rebates. Verified on test check basis, discounts and rebates transactions recorded during the year including period end discounts and rebates accruals and ensured the computation is in accordance with the policy and relevant source documents. Examined historical rebate accrual together with our understanding of current year developments to form an expectation of the rebate accrual as at year end and compared the same with the accrual for the year ended March 31, 2023. Verified completeness and accuracy of the data used by the Company for accrual of discounts and rebates through test of controls. Verified on a test check basis, rebate accruals after the reporting date to validate whether the accrual is recorded in the correct period. Verified payments made after reporting/year end date and where relevant, comparing the payment to the related rebate accrual. |

| Sr. No | Key Audit Matter | How the Key Audit Matter was addressed in our audit |
|--------|------------------|---|
| | | <ul style="list-style-type: none"> • Verified the credit notes for rebates and discounts issued subsequent to the balance sheet date to assess the reasonableness of the amounts recognised and to identify any significant unaccounted secondary trade accruals. • Verified manual journal entries posted to revenue, on a test check basis, to identify unusual items and examining the underlying documentation. • Verified the related disclosures made in notes to the financial statements in accordance with the requirements of the applicable accounting standards. |

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc. but does not include the consolidated financial statements and our auditor's report thereon. The Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc. is expected to be made available to us subsequent to this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc., if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the

accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing ("SAs") 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 consolidated financial statements.

We give in “Annexure A” a detailed description of Auditor’s responsibilities for Audit of the Consolidated Financial Statements.

OTHER MATTERS

We did not audit the financial statements of ten subsidiaries whose financial statements reflect total assets of Rs. 1,05,539.17 Lakhs as at March 31, 2023, total revenues of Rs. 87,152.57 Lakhs and net cash flows amounting to Rs. 162 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Certain of these subsidiaries, are located outside India whose financial statements and/or other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company’s management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company’s management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement

of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group Companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 53 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.
 - iv. (1) The respective Managements of the Holding Company and its subsidiaries which are incorporated in India, whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the Note 64 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities (“intermediaries”) with the

- understanding, whether recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (2) The respective Managements of the Holding Company and its subsidiaries, which are companies which are incorporated in India and whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in Note 64 to the Consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries, from any persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that
- has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement
- v. The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company, and its subsidiary companies incorporated in India only w.e.f. April 1, 2023, reporting under this clause is not applicable.
2. As required by the Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company and the subsidiary companies to the extent applicable to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.
3. According to the information and explanations given to us and based on the Company (Auditor's Report) Order, 2020 (hereinafter referred as "CARO Reports") issued by us for the Holding Company and on consideration of CARO reports issued by the statutory auditors of subsidiaries included in the consolidated financial statements of the Group to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No.: 105047W

Nipun Gupta

Partner

Membership No.: 502896

UDIN: 23502896BGTEUR3640

Place: Gurugram

Date: May 17, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

Nipun Gupta
Partner

Place: Gurugram
Date: May 17, 2023

Membership No.: 502896
UDIN: 23502896BGTEUR3640

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED

Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Sheela Foam Limited on the consolidated Financial Statements for the year ended March 31, 2023

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls reference to consolidated financial statements of Sheela Foam Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may

occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to four subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

Nipun Gupta
Partner
Membership No.: 502896
UDIN: 23502896BGTEUR3640

Place: Gurugram
Date: May 17, 2023

Consolidated Balance Sheet

as at March 31, 2023

(₹ in Lakhs)

| Particulars | Note no. | As at March 31, 2023 | As at March 31, 2022 |
|--|----------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 42,903.60 | 43,547.55 |
| Right-of-use assets | 4 | 10,854.80 | 13,935.72 |
| Capital work-in-progress | 3 | 28,749.03 | 11,989.21 |
| Intangible assets | 5 | 27,402.04 | 25,203.15 |
| Investment property | 6 | 5,338.81 | 5,617.11 |
| Financial assets | | | |
| (i) Investments | 7 | 5,641.29 | 52,883.17 |
| (ii) Loans | 8 | 193.91 | 7.59 |
| (iii) Other financial assets | 9 | 518.97 | 453.61 |
| Deferred tax asset | 10 | 1,367.82 | 783.19 |
| Non current tax assets (net) | 11 | 1,238.76 | 693.34 |
| Other non-current assets | 12 | 3,543.14 | 2,563.97 |
| Total non current assets | | 1,27,752.17 | 1,57,677.61 |
| Current assets | | | |
| Inventories | 13 | 33,132.68 | 31,445.89 |
| Financial assets | | | |
| (i) Investments | 14 | 71,195.73 | 8,938.05 |
| (ii) Trade receivables | 15 | 28,197.60 | 26,939.30 |
| (iii) Cash and cash equivalents | 16 | 4,227.05 | 4,081.28 |
| (iv) Bank balances other than cash and cash equivalents | 17 | 26.65 | 31.58 |
| (v) Loans | 18 | 67.05 | 557.36 |
| (vi) Other financial assets | 19 | 99.98 | 2,634.23 |
| Other current assets | 20 | 6,381.02 | 4,021.98 |
| Total current assets | | 1,43,327.76 | 78,649.67 |
| Total assets | | 2,71,079.93 | 2,36,327.28 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 21 | 4,878.28 | 2,439.14 |
| Other equity | 22 | 1,55,160.90 | 1,36,817.48 |
| Equity attributable to shareholders of the Holding Company | | 1,60,039.18 | 1,39,256.62 |
| Non-controlling Interest | | 826.46 | 763.33 |
| Total equity | | 1,60,865.64 | 1,40,019.95 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 23 | 28,380.63 | 22,818.18 |
| (ii) Lease liabilities | 24 | 8,749.07 | 10,564.79 |
| (iii) Other non current financial liabilities | 25 | 2,593.96 | 5,034.08 |
| Provisions | 26 | 1,304.19 | 1,932.59 |
| Other non current liabilities | 27 | 19.85 | 22.70 |
| Deferred tax liabilities | 28 | 831.69 | 966.99 |
| Total non current liabilities | | 41,879.39 | 41,339.33 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 29 | 18,380.43 | 10,957.32 |
| (ii) Lease liabilities | 24 | 1,598.40 | 2,306.18 |
| (iii) Trade payables | | | |
| - Total outstanding dues of micro enterprises and small enterprises | 30 | 722.01 | 506.29 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 30 | 25,219.37 | 28,036.46 |
| (iv) Other financial liabilities | 31 | 9,170.50 | 4,402.60 |
| Provisions | 26 | 2,050.75 | 1,056.13 |
| Current tax liabilities (net) | 32 | 117.14 | - |
| Other current liabilities | 33 | 11,076.30 | 7,703.02 |
| Total current liabilities | | 68,334.90 | 54,968.00 |
| Total liabilities | | 1,10,214.29 | 96,307.33 |
| Total equity and liabilities | | 2,71,079.93 | 2,36,327.28 |

Significant accounting policies

2

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For and on behalf of the Board of Directors of

 For **M S K A & Associates**
Sheela Foam Limited

 Chartered Accountants
 Firm Registration No.: 105047W

CIN: L74899DL1971PLC005679

Nipun Gupta
 Partner
 Membership No.: 502896

Rahul Gautam
 Managing Director
 DIN:00192999

Tushaar Gautam
 Whole Time Director
 DIN:01646487

Amit Kumar Gupta
 Group Chief Financial Officer

 Place: Gurugram
 Date: May 17, 2023

 Place: Noida
 Date: May 17, 2023

Md. Iqbal Ahmad
 Company Secretary
 Membership No.: A20921

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars | Note no. | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|----------|--------------------------------------|--------------------------------------|
| Income | | | |
| Revenue from operations | 34 | 2,87,332.09 | 2,86,557.84 |
| Other income | 35 | 8,650.12 | 7,916.32 |
| Total Income | | 2,95,982.21 | 2,94,474.16 |
| Expenses | | | |
| Cost of materials consumed | 36 | 1,61,830.43 | 1,83,325.03 |
| Purchase of stock-in-trade | 37 | 18,063.14 | 5,353.84 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 38 | (1,208.72) | (977.78) |
| Other manufacturing expenses | 39 | 6,764.73 | 6,228.69 |
| Employee benefits expense | 40 | 27,915.33 | 25,547.57 |
| Finance costs | 41 | 2,107.07 | 1,697.31 |
| Depreciation and amortisation expense | 42 | 8,962.43 | 8,077.73 |
| Other expenses | 43 | 44,239.52 | 35,585.89 |
| Total Expenses | | 2,68,673.93 | 2,64,838.28 |
| Profit before tax | | 27,308.28 | 29,635.88 |
| Income Tax expense | 62 | | |
| Current tax | | 7,875.59 | 8,331.47 |
| Tax expenses related to earlier years | | (77.20) | (22.04) |
| Deferred tax (net) | | (796.33) | (546.35) |
| Total Income tax expense | | 7,002.06 | 7,763.08 |
| Profit for the year | | 20,306.22 | 21,872.80 |
| Other comprehensive income (net of tax) | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Remeasurements gain / (loss) of the net defined benefit plans | | (181.17) | (506.09) |
| Income tax on above item | 62 | 45.60 | 128.67 |
| <i>Items that will be reclassified to profit or loss</i> | | | |
| Fair value gain / (loss) on investments and other financial instruments | | (347.78) | 323.91 |
| Income tax on above item | 62 | 87.53 | (81.52) |
| Exchange differences on translation of foreign operations | | 1,647.08 | (50.04) |
| Total Other comprehensive income/ (loss) (net of tax) | | 1,251.26 | (185.07) |
| Total comprehensive income for the year | | 21,557.48 | 21,687.73 |
| Profit for the year attributable to: | | | |
| Shareholders of the Holding Company | | 20,115.67 | 21,732.97 |
| Non-controlling Interest | | 190.55 | 139.83 |
| | | 20,306.22 | 21,872.80 |
| Other Comprehensive Income for the year attributable to: | | | |
| Shareholders of the Holding Company | | 1,251.26 | (185.07) |
| Non-controlling Interest | | - | - |
| | | 1,251.26 | (185.07) |
| Total Comprehensive Income for the year attributable to: | | | |
| Shareholders of the Holding Company | | 21,366.93 | 21,547.90 |
| Non-controlling Interest | | 190.55 | 139.83 |
| | | 21,557.48 | 21,687.73 |
| Earnings per equity share (face value of ₹ 5/- each): | | | |
| Basic and diluted (₹) | 44 | 20.81 | 22.42 |

Significant accounting policies

2

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For and on behalf of the Board of Directors of

For **M S K A & Associates**
Chartered Accountants
Firm Registration No.: 105047W

Sheela Foam Limited
CIN: L74899DL1971PLC005679

Nipun Gupta
Partner
Membership No.: 502896

Rahul Gautam
Managing Director
DIN:00192999

Tushaar Gautam
Whole Time Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Place: Gurugram
Date: May 17, 2023

Place: Noida
Date: May 17, 2023

Md. Iquebal Ahmad
Company Secretary
Membership No.: A20921

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

A. EQUITY SHARE CAPITAL

| Particulars | ₹ in Lakhs |
|--|-----------------|
| Balance as at April 01, 2021 | 2,439.14 |
| Add: Issued during the year | - |
| Balance as at March 31, 2022 | 2,439.14 |
| Add: Bonus shares issued during the year | 2,439.14 |
| Balance as at March 31, 2023 | 4,878.28 |

B. OTHER EQUITY

(₹ in Lakhs)

| Particulars | Reserves and surplus | | | | | Items of Other Comprehensive Income | | Total equity attributable to equity holders of the Company | Non-controlling Interest | Total |
|---|----------------------|-------------------|-----------------|--------------------------------------|-----------------|-------------------------------------|-------------------------|--|--------------------------|--------------------|
| | Retained earnings | Capital reserve | General Reserve | Foreign Currency Translation Reserve | Capital Subsidy | Debt instruments through OCI | Cash flow hedge reserve | | | |
| Balance as at April 01, 2021 | 1,10,120.96 | 2,364.58 | 1,716.27 | 1,549.57 | 56.98 | 181.59 | - | 1,15,989.95 | 891.81 | 1,16,881.76 |
| Profit for the year | 21,732.97 | - | - | - | - | - | - | 21,732.97 | 139.83 | 21,872.80 |
| Capital Subsidy received during the year | - | - | - | - | 13.59 | - | - | 13.59 | - | 13.59 |
| Dividend paid | (146.02) | - | - | - | - | - | - | (146.02) | (226.76) | (372.78) |
| Other comprehensive income for the year (net of tax) | (377.42) | - | - | - | - | 242.38 | - | (135.04) | - | (135.04) |
| Other adjustments | 0.70 | - | - | - | - | - | - | 0.70 | 0.95 | 1.65 |
| Exchange gain/(loss) on translation (net) | - | (1,968.96) | - | 1,330.29 | - | - | - | (638.67) | (42.50) | (681.17) |
| Total comprehensive income for the year | 21,210.23 | (1,968.96) | - | 1,330.29 | 13.59 | 242.38 | - | 20,827.53 | (128.48) | 20,699.05 |
| Balance as at March 31, 2022 | 1,31,331.19 | 395.62 | 1,716.27 | 2,879.86 | 70.57 | 423.97 | - | 1,36,817.48 | 763.33 | 1,37,580.81 |
| Profit for the year | 20,115.67 | - | - | - | - | - | - | 20,115.67 | 190.55 | 20,306.22 |
| Capital Subsidy received during the year | - | - | - | - | - | - | - | - | - | - |
| Bonus shares issued during the year | (394.30) | (328.57) | (1,716.27) | - | - | - | - | (2,439.14) | - | (2,439.14) |
| Expenses towards increase in authorised share capital | (50.39) | - | - | - | - | - | - | (50.39) | - | (50.39) |
| Dividend paid | (103.00) | - | - | - | - | - | - | (103.00) | - | (103.00) |

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

B. OTHER EQUITY

(₹ in Lakhs)

| Particulars | Reserves and surplus | | | | | Items of Other Comprehensive Income | | Total equity attributable to equity holders of the Company | Non-controlling Interest | Total |
|---|----------------------|-----------------|-------------------|--------------------------------------|-----------------|-------------------------------------|-------------------------|--|--------------------------|--------------------|
| | Retained earnings | Capital reserve | General Reserve | Foreign Currency Translation Reserve | Capital Subsidy | Debt instruments through OCI | Cash flow hedge reserve | | | |
| Other comprehensive income for the year (net of tax) | (135.57) | - | - | - | - | - | - | (135.57) | - | (135.57) |
| Other adjustments | 0.16 | - | - | - | (7.17) | - | - | (7.01) | (127.42) | (134.43) |
| Exchange gain/(loss) on translation (net) | - | - | - | 1,647.08 | - | - | - | 1,647.08 | - | 1,647.08 |
| Loss on cash flow hedge reserve (net of tax) | - | - | - | - | - | - | (260.25) | (260.25) | - | (260.25) |
| Realised gain from debt instruments transferred to profit and loss (net of tax) | - | - | - | - | - | (423.97) | - | (423.97) | - | (423.97) |
| Total comprehensive income for the year | 19,432.57 | (328.57) | (1,716.27) | 1,647.08 | (7.17) | (423.97) | (260.25) | 18,343.42 | 63.13 | 18,406.55 |
| Balance as at March 31, 2023 | 1,50,763.76 | 67.05 | - | 4,526.94 | 63.40 | - | (260.25) | 1,55,160.90 | 826.46 | 1,55,987.36 |

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For **M S K A & Associates**
Chartered Accountants
Firm Registration No.: 105047W

Nipun Gupta
Partner
Membership No.: 502896

Place: Gurugram
Date: May 17, 2023

For and on behalf of the Board of Directors of

Sheela Foam Limited
CIN: L74899DL1971PLC005679

Rahul Gautam
Managing Director
DIN:00192999

Place: Noida
Date: May 17, 2023

Tushaar Gautam
Whole Time Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Md. Iqbal Ahmad
Company Secretary
Membership No.: A20921

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| A. Cash flow from operating activities | | |
| Profit before tax | 27,308.28 | 29,635.88 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 8,962.43 | 8,077.73 |
| Finance costs | 2,107.07 | 1,697.31 |
| Advances/Balances written off (including bad debts) | 510.60 | 15.16 |
| Provision for doubtful receivables | 360.20 | 5.07 |
| Provision for warranty | 1,175.79 | 970.42 |
| Subsidy income | (37.43) | (2.84) |
| Net loss on foreign currency forward contracts | 1,322.29 | - |
| Fair value (gain) / loss on investments (net) | (899.08) | 382.97 |
| (Profit) / Loss on sale of investments (net) | (1,868.80) | (1,228.00) |
| Liabilities/provisions no longer required written back | (12.15) | (59.43) |
| Unrealised foreign exchange loss / (gain) (net) | 404.61 | 256.93 |
| Rental Income | (1,256.62) | (1,138.54) |
| Interest Income | (3,276.10) | (3,759.41) |
| (Profit) / Loss on sale of property, plant and equipment (net) | (48.72) | 28.16 |
| Operating profit before working capital changes | 34,752.37 | 34,881.41 |
| Changes in working capital: | | |
| (Increase) / Decrease in inventories | (1,184.69) | 84.84 |
| (Increase) / Decrease in loans and trade receivables | (1,860.96) | 1,698.52 |
| (Increase) / Decrease in other financial and non-financial assets | (2,826.29) | (2,918.69) |
| (Decrease) / Increase in trade payables | (2,925.23) | (3,078.38) |
| (Decrease) / Increase in other financial liabilities, non-financial liabilities and provisions | 3,315.53 | (1,522.72) |
| Cash generated from operations | 29,270.73 | 29,144.98 |
| Income tax paid (net of refunds) | (8,070.06) | (9,430.14) |
| Net cash flow from operating activities (A) | 21,200.67 | 19,714.84 |
| B. Cash flow from investing activities | | |
| Purchase of property, plant and equipment and change in capital work-in-progress | (21,162.24) | (16,345.59) |
| Proceeds from sales of property, plant and equipment | 173.98 | 2,054.84 |
| Investment in bonds, debentures and mutual funds (net) | (12,669.62) | (19,915.07) |
| Proceeds from bank deposits | 4.93 | - |
| Loans and advances given | 303.99 | (40.00) |
| Rental income | 1,256.62 | 1,138.54 |
| Interest income received | 5,251.45 | 2,469.06 |
| Net cash flow (used in) investing activities (B) | (26,840.89) | (30,638.22) |
| C. Cash flow from financing activities | | |
| Payment of Dividend during the year | (279.86) | (372.73) |
| Subsidy received during the year | - | 13.59 |
| Fees paid for increase in authorised share capital | (50.39) | - |
| Proceeds from long term borrowings | 7,684.38 | 9,587.46 |
| Repayment of long term borrowings | (3,759.87) | (32.77) |
| Proceeds from short term borrowings | 6,482.11 | 9,310.96 |
| Repayment of short term borrowings | - | (5,652.79) |
| Payment of lease liabilities (principal and interest) | (2,821.38) | (2,445.30) |
| Finance costs | (1,642.59) | (1,140.07) |
| Net cash flow from financing activities (C) | 5,612.40 | 9,268.35 |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | (27.82) | (1,655.03) |
| Effect of exchange differences on translation of foreign currency cash and cash equivalents | 173.59 | - |
| Cash and cash equivalents at the beginning of the year | 4,081.28 | 5,736.31 |
| Cash and cash equivalents at the end of the year | 4,227.05 | 4,081.28 |

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

Notes :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- Figures in brackets represent cash outflow.
- Components of cash and cash equivalents:

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Cash and cash equivalents | | |
| Cash on hand | 13.11 | 20.95 |
| Deposits having original maturity of less than 3 months | 141.76 | 933.87 |
| Balance with banks in current accounts | 4,072.18 | 3,126.46 |
| Balance as per Statement of Cash Flows | 4,227.05 | 4,081.28 |

- Changes in liabilities arising from financing activities:

| Particulars | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Borrowings | | |
| Borrowings at the beginning of the year | 33,775.50 | 20,562.64 |
| Proceeds from the borrowings | 14,166.49 | 18,898.42 |
| Repayment of borrowings | (3,759.87) | (5,685.56) |
| Exchange differences on translation of foreign operations | 2,578.94 | - |
| Borrowings as at year end | 46,761.06 | 33,775.50 |
| Lease liabilities | | |
| Lease liabilities at the beginning of the year | 12,870.97 | 12,860.24 |
| Addition during the year | 40.54 | 2,490.99 |
| Finance charges | 464.48 | 557.25 |
| Payment of lease liabilities | (2,821.38) | (2,445.30) |
| Cancellation / adjustments | (207.14) | (592.21) |
| Lease liabilities as at year end | 10,347.47 | 12,870.97 |

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For **M S K A & Associates**
Chartered Accountants
Firm Registration No.: 105047W

Nipun Gupta
Partner
Membership No.: 502896

Place: Gurugram
Date: May 17, 2023

For and on behalf of the Board of Directors of

Sheela Foam Limited
CIN: L74899DL1971PLC005679

Rahul Gautam
Managing Director
DIN:00192999

Place: Noida
Date: May 17, 2023

Tushaar Gautam
Whole Time Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Md. Iquebal Ahmad
Company Secretary
Membership No.: A20921

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

1. GROUP INFORMATION

Sheela Foam Limited ('the Holding Company') is a ISO 9001:2000 public limited Group incorporated in India with its registered office in New Delhi. The Holding Group is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

The Holding Company, pioneered in the manufacturing of polyurethane foams, has eleven subsidiary companies (including step down subsidiaries) (two Foreign Subsidiaries 'Joyce Foam PTY Ltd., Australia and its Controlled Entity Joyce W C NSW Pty Limited' and 'International Foam Technologies Spain, S.L.U and its Controlled Entity Interplasp S.L') and (four Indian Subsidiaries 'Divya Software Solutions Private Limited', 'Sleepwell Enterprises Private Limited', 'International Comfort Technologies Private Limited' and 'Staqa World Private Limited and its three Controlled Foreign Entities 'Staqa World Kft, Hungry, Staqa Incorporated, USA and Staqa Technologies L.L.C, Dubai').

The accompanying Consolidated Financial Statements relate to Sheela Foam Limited ('the Holding Company') and its eleven subsidiary companies (including step down subsidiaries) (together referred as "the Group").

The consolidated financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorized for issue on May 17, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance and Basis of Preparation

a. Basis of Preparation:

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act. The consolidated financial statements have been prepared on accrual and going concern basis. All the assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments), measured at fair value (refer accounting policy regarding financial instruments).

- defined benefit plans – plan asset measured at fair value.

b. Functional and presentation currency

The consolidated financial statements are prepared in Indian Rupees ('Rs. '), which is the Holding Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimal places, unless stated otherwise.

c. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it is -

- expected to be realized, or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it is:

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within 12 months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities:

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle:

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalent. The Group has identified twelve months as its operating cycle.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

d. Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure and the disclosure of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying consolidated financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

These estimates and assumptions are based on the facts and events, that existed as at the date of Balance Sheet, or that occurred after that date but provide additional evidence about conditions existing as at the Balance Sheet date.

1. Useful lives of Property Plant and Equipment

The Property, Plant and Equipment are depreciated on a pro-rate basis on written down value basis, in case of Holding Group (Sheela Foam Limited) and Indian Subsidiaries and on a straight line basis, in the case of foreign Subsidiaries, over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 2.3 below. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the financial position in future years.

2. Retirement benefit obligation

The cost of retirement benefits and present value of the retirement benefit obligations in respect of Gratuity and Leave Encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, these retirement benefit obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long-term government bonds with extrapolated maturity corresponding to the expected duration of these obligations.

The mortality rate is based on publically available mortality table for the specific countries. Future salary, seniority, promotion and other relevant factors and pension increases are based on expected future inflation on a long-term basis. Further details about the assumptions used, including a sensitivity analysis are given in Note 44.

3. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

4. Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5. Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

6. Impairment of Goodwill

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

less any accumulated amortisation and accumulated impairment losses, if any.

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a Cash Generating Unit is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes. The value in use calculation is based on a discounted future cash flows model. The recoverable amount is sensitive to the discount rate used for the discounted future cash flows model as well as the expected future cash-inflows.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell.

Determination of Cash Generating Unit

While assessing impairment, the management has identified every company in which goodwill has generated on acquisition of its subsidiary as the cash generating unit for the purposes of determining the recoverable value.

Significant Cash Generating Units (CGUs)

The management has determined one of the foreign step down subsidiary company located in Spain that is Interplasp S.L. as the significant cash generating unit for the purposes of determining the recoverable value.

| Particular | March 31, 2023 | March 31, 2022 |
|-------------------|----------------|----------------|
| Acquired Goodwill | 26,366.16 | 24,165.95 |

Following key assumptions were considered while performing impairment testing:

| Factors tested | March 31, 2023 | March 31, 2022 |
|---------------------------------------|----------------|----------------|
| Average Sales Growth rate for 5 years | 10% | 10% |

| Factors tested | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Average terminal growth rate | 1.5% | 1.5% |
| Margin | 10.8% | 10.8% |
| Weighted Average Cost Capital % (WACC) post tax (Discount rate) | 8.25% | 8% |

The projections cover a period of five years, as the Company believes this to be the most appropriate timescale over which to review and consider annual performances before applying a terminal value multiple to the final year cash flows. The growth rates and segmental margins used to estimate cash flows for the first five years are based on past performance, and on the Company's five-year strategic plan.

Weighted Average Cost of Capital % (WACC) for the Company = Risk free return + (Market risk premium x Beta).

Impairment

As per the computation, the value in use exceeds the carrying value of subsidiary company and accordingly the management has concluded that no impairment needs to be recognised for the current year.

The Company has performed sensitivity analysis and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of a CGU to exceed its recoverable amount.

2.2 BASIS OF CONSOLIDATION

Control is achieved when the group is exposed or has rights to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consolidation of a subsidiary begins with the group obtains control over the subsidiary and ceases when group loses control of the subsidiary. The Consolidated Financial Statements have been prepared on the following basis: -

Basis of Accounting:

- The financial statements of all subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Holding company, i.e., year ended on 31 March. When the end of the reporting period of the holding company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

as the financial statements of the holding company to enable the holding company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

- ii) In case of foreign Subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rates prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve.
- iii) The consolidated financial statements have been prepared in accordance with Indian Accounting Standard - 110 "Consolidated Financial Statements".

Principles of Consolidation:

- i) The financial statements of the Holding Company and its Subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets,

liabilities, income and expenses after fully eliminating the intra-group balances and intra-group transactions and unrealized profits or losses in accordance with Indian Accounting Standard - 110 on "Consolidated Financial Statements". Non - controlling interests in the results and equity of subsidiaries are shown separately in the consolidated financials statement .

- ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Group's separate financial statements except as otherwise stated in the Significant Accounting Policies.
- iii) The difference between the costs of investments in the Subsidiaries over the net assets at the time of acquisition of shares in the Subsidiaries is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve as the case may be.

The Consolidated Financial Statements of the Holding Group includes the results of following entities:

| Name of Company | Country of Incorporation | Proportion (%) of Shareholding as on 31.03.2023 | Proportion (%) of Shareholding as on 31.03.2022 |
|--|--------------------------|---|---|
| Subsidiary Companies | | | |
| Joyce Foam Pty. Limited and its Controlled Entity (Joyce W C NSW Pty Limited) | Australia | 100% | 100% |
| International Foam Technologies SL, Spain and its Controlled Entity (Interplasp S.L) | Spain | 100% | 100% |
| Divya Software Solutions Private Limited | India | 100% | 100% |
| Sleepwell Enterprises Private Limited | India | 100% | 100% |
| Staqo World Pvt. Ltd. and its 3 Controlled Entities (Staqo Technologies L.L.C. , Staquo World LLC and Staquo Incorporated) | India | 100% | 100% |
| International Comfort Technologies Private Limited | India | 100% | 100 % |

2.3 Property, Plant & Equipment

Property, Plant & Equipment are accounted for on historical cost basis (inclusive of the cost of installation and other incidental costs till the date of commencement of commercial production) net of recoverable taxes, less accumulated depreciation and impairment loss, if any. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are added to the existing asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Cost of leasehold land is amortized over the period of lease. Leasehold improvements are amortized over the lease period, which corresponds with the useful life of assets .

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

In the case of the Holding Company (Sheela Foam Limited) and Indian Subsidiaries (Divya Software Solutions Private Limited, Sleepwell Enterprises Private Limited, Staquo World Private Limited and International Comfort Technologies Private Limited)

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Depreciation on property, plant & equipment is provided on a pro-rata basis on written down value basis, over the useful life of the assets estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The asset's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The property, plant and equipment costing upto Rs. 5,000/- are fully depreciated during the year of addition after retaining 5% as net residual value. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

| Asset | Useful life as per Schedule II of the Companies Act, 2013 (No. of Years) | Useful life as assessed / estimated by the Group (No. of Years) |
|-------------------------------------|--|---|
| Buildings : | | |
| - Factory (including roads & lanes) | 30 | 29 |
| - Office | 60 | 4-59 |
| - Residential | 60 | 59 |
| Plant & Equipment | 15 | 20 |
| Furniture & Fixtures | 10 | 15 |
| Vehicles : | | |
| - Motor Cars | 8 | 10 |
| Office Equipment | 5 | 20 |
| Date Processing Equipment : | | |
| - Computer Equipment | 3 | 6 |
| Electrical Fittings | 10 | 20 |

Based on usage pattern, technical evaluation and internal assessment, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

In the case of foreign Subsidiaries (Joyce Foam Pty. Ltd. and its Controlled Entities, and International Foam Technologies SL, Spain and its Controlled Entities)

The depreciable amount of all fixed assets including capitalised lease assets, is depreciated on a straight line basis over the estimated useful lives to the Group commencing from time the assets is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

| Asset | Useful Life range |
|----------------------------|-------------------|
| Buildings | 34 to 36 years |
| Technical Installations | 10 to 20 years |
| Plant & Machinery | 8 to 20 years |
| Furniture & Furnishings | 3 to 7 years |
| Tooling & Other Facilities | 10 years |
| Data Processing Equipment | 4 to 6 years |
| Vehicles | 6 to 7 years |
| Other Assets | 8 to 9 years |

Transition to Ind AS

On transition to Ind AS, the Group (in respect of companies incorporated in India) has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

2.4 Investment Property

Property that is held for long- term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are added to the carrying amount only when it is probable that it will increase its useful life. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. Though the Group measures investment property using cost based measurement, the fair value of the investment property is disclosed in the notes. Fair value is determined based on an annual evaluation performed by an accredited external independent valuer applying a recognized and recommended valuation model.

Depreciation on investment property, is provided on a pro-rata basis on written down value basis, over the useful life of the property estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The property's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

| Asset | Useful life as per Schedule II of the Companies Act, 2013 (No. of Years) | Useful life as assessed / estimated by the Group (No. of Years) |
|--------------------|--|---|
| Buildings : | | |
| - Factory | 30 | 29 |
| - Office | 60 | 59 |
| - Residential | 60 | 59 |

Based on usage pattern, technical evaluation and internal assessment, the management believes that the useful lives as given above best represent the period over which the management expects to use these properties. Hence the useful lives of these properties is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Investment property is derecognized when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss arising on de-recognition of the investment property is included in the Statement of Profit and Loss.

Transfers are made to / from investment property only when there is a change in its use. Transfers between investment property is made at the carrying amount of the property transferred.

Transition to Ind AS

On transition to Ind AS, since there is no change in the functional currency, the Group (in respect of companies incorporated in India) has elected to continue with the carrying value for all of its investment property as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., April 01, 2016.

2.5 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

(a) Initial recognition and measurement

At initial recognition, all financial assets are recognized at its fair value plus, in the case of a financial asset not carried at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(b) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- a. at amortized cost;
- b. at fair value through other comprehensive income (FVTOCI); and
- c. at fair value through profit and loss (FVTPL)

Where financial assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit and loss), or recognized in other comprehensive income (i.e. fair value through Other Comprehensive Income).

The classification of financial assets depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

(1) Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if both the following conditions are met:

- Business Model Test: The objective of the business model is to hold financial asset in order to collect contractual cash flows (rather than to sell the asset prior to its financial maturity to realize its fair value changes); and
- Cash Flow Characteristics Test: The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

This category is most relevant to the Group. After initial measurement, such financial asset are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in interest income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade receivables, deposits with banks, security deposits, cash and cash equivalents and employee loans, etc.

(2) Financial instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- Business Model Test: The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- Cash Flow Characteristics Test: The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Profit and Loss.

(3) Financial instruments measured at Fair Value Through Profit and Loss (FVTPL)

Fair Value through Profit and Loss is a residual category. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified as FVTPL. Financial instruments included in FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements i.e. gain or loss and interest income are recorded in Statement of Profit and Loss.

(c) Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial Assets measured at amortized cost;
- Financial Assets measured at FVTOCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible defaults events over the life of the financial instrument).

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Financial assets that are debt instruments, and are measured at amortized cost i.e. trade receivables, deposits with banks, security deposits and employee loans etc.
- Financial assets that are debt instruments, and are measured at FVTOCI,

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The trade receivables are initially recognized at the sale/recoverable value and are assessed at each Balance Sheet date for collectability. Trade receivables are classified as current assets, if collection is expected within twelve months as at Balance Sheet date, if not, they are classified under non-current assets.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months (Expected Credit Loss) ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12-months ECL.

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For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on timely basis.

(d) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's Balance Sheet) when:

- a. The rights to receive cash flows from the asset have been expired/transferred, or
- b. The Group retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Group has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade payables, borrowings, security deposits and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit or Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in Other Comprehensive Income. These gains/ losses are not subsequently transferred to Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the Statement of Profit and Loss.

Borrowings & Security Deposits

Any difference between the proceeds (net of transaction costs) and the repayment amount is recognized in Statement of profit or loss over the period of the liability and subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR.

Financial Guarantee Contract

Financial guarantee contracts issued by the Holding Group are those contracts that require a payment to be made to reimburse the holder for loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Trade and other payables

Trade and other payables are obligations incurred by the Group towards purchase of raw material and other

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goods and availing the services that have been acquired or availed in the ordinary course of business. Trade and other payables are classified under current liabilities, if payment is due within 12 months as at Balance Sheet date, if not, they are classified under non-current liabilities.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(iii) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(iv) Derivative Financial Instruments :

Initial recognition and subsequent measurement

The Holding Company uses derivative financial instruments to hedge its foreign currency risk and interest rate risk. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Statement of Profit or Loss and Other Comprehensive Income. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Hedge Accounting

The Holding Company designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as cash flow hedges.

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements: -

There is an economic relationship between the hedged items and the hedging instruments,

- the effect of credit risk does not dominate the value changes that result from that economic relationship,

- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Holding Company documents whether the hedging instrument is highly effective in offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The Holding Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit or Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit or Loss upon the occurrence of the underlying transaction.

2.6 Inventories

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable

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value. Cost of work in progress and manufactured finished goods comprises is determined on weighted average and its cost comprises of direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods includes cost of purchase and such other costs.

In determining the cost of inventories, first-in-first-out cost method is used.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item-by-item basis.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short- term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

2.8 Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets, other than deferred tax assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the 'cash generating unit' to which the asset belongs. Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGU's. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit or Loss and Other Comprehensive Income. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the assets of the CGU on a pro rata basis. Refer note 3 for the use of estimates and judgments for assessing impairment of goodwill.

2.9 Provisions and Contingent Liabilities

a) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balances sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Provision for Warranty

Warranty provision is determined based on the historical percentage of warranty expense to sales for the same types of goods depending upon the warranty period offered. The percentage to the sales is applied to derive the warranty expense to be accrued. Actual warranty claims are settled against warranty provision. The warranty claims may not exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence. Closing warranty provision is bifurcated into Current and Non-current based on the past settlement trend with the non-current portion being discounted to derive the present value. The assumptions are consistent with prior years.

c) Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

2.10 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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IND As 115 five step model is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligation in contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Sales are recognized at the fair value of the consideration that can be reliably measured and reduced by variable consideration. Variable consideration includes sales returns, trade discounts, volume based incentives, and cost of promotional programs, indirect taxes as may be applicable.

The Group provides various volume based rebates to certain customers once the goods are purchased by them above a certain threshold as specified in the scheme letter. Rebates outstanding at the balance sheet date are adjusted against the amount receivable from the customer. To estimate and recognise the liability for the incentives the Group used the methods which best predicts the amount of incentives and is primarily driven by the number of volume thresholds mentioned in the contracts.

i) Sale of goods – distributors

The Group operates via chain of distributors selling mattresses and home comfort products. Revenue from the such sales is recognised when control of the products being sold is transferred to distributor and when there are no longer any unfulfilled obligations. As per Group's policies the performance obligations are fulfilled at the time of dispatch from the factory or warehouse.

Group's contract with trade customers do not have financing component or non-cash consideration and the Group does not have any unbilled revenue or deferred revenue.

It is the Group's policy to sell its products to the end customer with a right of return within a stipulated time period. Therefore, a refund liability (included in other current liabilities) and a right to recover the returned goods (included in other current assets) are recognised for the products expected to be returned, based on estimate. Historical data and past trends are used to estimate such returns. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

The Group's obligation to replace faulty products under the standard warranty terms is recognised as a provision (Refer Note 25).

ii) Sale of goods – B2B

The Group manufactures and sells a range of industrial foam and cushioning foam to B2B segment. Sales are recognised when control of the products has transferred, that is when the products are dispatched from the factory or the warehouse.

iii) Sale of services

The IT consulting division provides business IT management, design, implementation and support services under fixed-price and variable-price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Some contracts include multiple deliverables, such as the sale of hardware and related installation services. However, the installation is simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.

Other Income

i) Interest income from Bonds

Interest income from bonds at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

ii) Rental income

Rental income from operating leases where the Group's entity is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are

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structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

iii) Income from sale of investments

The Group earns profit/loss on sale of bonds and mutual funds. When these investments are sold, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss.

2.11 Government Grants / Subsidy

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

2.12 Employee Benefits

In the case of the Holding Company (Sheela Foam Limited) and Indian Subsidiaries (Divya Software Solutions Private Limited, Sleepwell Enterprises Private Limited, Staqa World Private Limited and International Comfort Technologies Private Limited)

a. Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia, performance incentive/pay etc. and the same are recognized in the period in which the employee renders the related services.

b. Long Term Benefit

The employees are entitled to long service award (LSA), as retention earned leave, after completion of service of five years, which can be en-cashed or accumulated till

retirement. The liability towards LSA is provided for on accrual basis as estimated by the management.

c. Post-Employment Benefits

i. Defined contribution plan:

Approved provident fund scheme, employees' state insurance fund scheme and employees' pension scheme are defined contribution plans. There is no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

ii. Defined benefit plan:

Gratuity

Gratuity, being a defined benefit plan (the 'Gratuity Plan') covers eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise. The Holding Company Liability is funded through a separate Gratuity Trust. The short/excess of gratuity liability as compared to the net fund held by the Gratuity Trust is accounted for as liability/ asset as at the Balance Sheet date.

d. Other Long Term Benefits

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

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Leaves under defined benefit plans can be encashed only on discontinuation of service by employee.

ii. Employees State Insurance Scheme

Contribution towards employees' state insurance scheme is made to the regulatory authorities, as applicable and has no further obligations. Such benefits are classified as Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

In the case of foreign Subsidiaries (Joyce Foam Pty. Ltd. and its Controlled Entity, and International Foam Technologies SL, Spain and its Controlled Entity)

Provision is made for the liability for employee benefits arising from services rendered by employees to balance sheet date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those of benefits.

2.13 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, for a period of time in exchange for consideration even if that right is not explicitly specified in an arrangement.

Group as a lessee

The Group's lease assets classes primarily consist of leases for Land & Buildings. The Group assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset and a corresponding lease

liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low value assets. For these short-term and leases of low value assets, the Group recognises the lease payments as an operating expense in the statement of profit and loss.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group separately recognizes the interest expense on the lease liability as finance cost and the depreciation expense on the right-of-use asset.

Group as a lessor

Lease income from operating lease is recognized on a straight-line basis or another systematic basis as per the terms of the relevant lease. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as lease income.

2.14 Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency existing as at the balance sheet date are translated at the year end exchange rates. Exchange rate differences arising on settlement of transaction and translation of monetary items are recognized as income or expenses in the year in which they arise. The long term foreign currency monetary items are carried at the exchange rate prevailing on the date of initial transaction.

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Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of initial transactions.

2.15 Taxation

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

a) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

b) Deferred Tax

Deferred tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in consolidated financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.16 Dividend Distribution:

The group recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Entity and is declared by the shareholders. A corresponding amount is recognized directly in the Equity.

2.17 Earnings per Share:

Basic earnings per share is calculated by dividing net profit of the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding without a corresponding change in the resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.18 Goodwill

Business Combinations are accounted for using the acquisition method of accounting, except for common control transactions which are accounted using the pooling of interest method that is accounted at carrying values.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities assumed at their acquisition date i.e. the date on which control is acquired. Contingent consideration to be transferred is recognised at fair value and included as part of cost of acquisition. Transaction related costs are expensed in the period in which the costs are incurred.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Goodwill arising on business combination is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the fair value of net identifiable assets acquired and

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liabilities assumed. After initial recognition, Goodwill is tested for impairment annually and measured at cost less any accumulated impairment losses if any

Goodwill is not amortized; however, it is tested annually for impairment and whenever there is an indication that the unit may be impaired and carried at cost less any accumulated impairment losses.

For the purpose of impairment testing, the goodwill is allocated to a cash-generating-unit ("CGU") or group of CGUs ("CGUs"), which are expected to benefit from the acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying value of a CGU / CGUs including the goodwill, exceeds the estimated recoverable amount of the CGU / CGUs. The recoverable amount of a CGU / CGUs is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of future cash flows expected to be derived from the CGU / CGUs.

The total impairment loss of a CGU / CGUs is allocated first to reduce the carrying value of goodwill allocated to that CGU / CGUs and then to the other assets of that CGU / CGUs - on pro-rata basis of the carrying value of each asset.

2.19 Transactions within Group

Transactions including expenses to be shared between the companies within the Group are initially recorded under operational heads by the respective Group, and reduced on actual or proportionate (where those are not directly attributable) basis during consolidation.

2.20 Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

2.21 Contributed equity

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds.

2.22 Standards (including amendments) issued but not yet effective.

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023, to amend certain Ind ASs which are effective from April 01, 2023: Below is a summary of such amendments:

(i) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements

The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

The amendments are effective for annual reporting periods beginning on or after April 01, 2023. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(ii) Definition of Accounting Estimates - Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments are effective for annual reporting periods beginning on or after April 01, 2023. The amendments are not expected to have a material impact on the Company's financial statements.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

2.23 Standards that became effective during the year

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from April 01, 2022

(i) Onerous Contracts- Cost of Fulfilling a Contract - Amendments to Ind AS 37

Ind AS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Company has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to Ind AS 37 clarify, that the costs relating directly to the contract consist of both:

- The incremental costs of fulfilling that contract- e.g. direct labour and material; and
- An allocation of other costs that relate directly to fulfilling contracts: e.g. Allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

These amendments have no impact on the financial statements of the Company.

(ii) References to the Conceptual Framework - Amendments to Ind AS 103

The amendments update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

The amendment also add a new exception in Ind AS 103 for liabilities and contingent liabilities.

These amendments have no impact on the financial statements of the Company.

(iii) Property, Plant and Equipment: Proceeds Before Intended Use- Amendment to Ind AS 16

The amendment to Ind AS 16 clarifies that any excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

These amendments had no impact on the year-end financial statements of the Company as there were no sales of such items.

(iv) Ind AS 109 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liability

The amendment clarifies which fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the year.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

| Particulars | Land - freehold | Buildings (Including Roads & Lanes) | Plant & Equipment Free Hold | Plant & Equipment Lease Hold | Furniture and fixtures | Vehicles | Office equipment | Electrical fittings | Total property, plant and equipment | Capital work-in-progress |
|--------------------------------------|-----------------|-------------------------------------|-----------------------------|------------------------------|------------------------|-----------------|------------------|---------------------|-------------------------------------|--------------------------|
| At cost or deemed cost | | | | | | | | | | |
| As at April 1, 2021 | 1,850.65 | 24,387.13 | 36,875.94 | 116.00 | 1,252.16 | 994.92 | 2,097.34 | 1,371.34 | 68,945.48 | 3,256.48 |
| Additions | - | 51.81 | 5,567.86 | - | 148.36 | 319.51 | 279.35 | 143.51 | 6,510.40 | 15,698.22 |
| Disposals/transfer | (6.69) | (359.78) | (1,426.26) | (1.34) | (3.86) | (85.38) | (19.04) | (2.62) | (1,904.97) | (6,965.49) |
| As at March 31, 2022 | 1,843.96 | 24,079.16 | 41,017.54 | 114.66 | 1,396.66 | 1,229.05 | 2,357.65 | 1,512.23 | 73,550.91 | 11,989.21 |
| Additions | 29.11 | 1,892.09 | 1,517.81 | - | 99.58 | 539.07 | 330.11 | 8.54 | 4,416.31 | 17,919.08 |
| Disposals/transfer | - | (9.02) | (166.83) | - | (17.40) | (80.82) | (88.11) | (0.23) | (362.41) | (1,173.15) |
| Foreign currency translation reserve | 13.19 | 636.73 | 933.07 | (0.08) | 3.49 | (0.17) | 10.91 | - | 1,597.14 | 13.89 |
| As at March 31, 2023 | 1,886.26 | 26,598.96 | 43,301.59 | 114.58 | 1,482.33 | 1,687.13 | 2,610.56 | 1,520.54 | 79,201.95 | 28,749.03 |
| Accumulated depreciation | | | | | | | | | | |
| As at April 1, 2021 | - | 5,785.65 | 17,499.28 | 10.98 | 532.33 | 544.58 | 1,082.06 | 493.21 | 25,948.09 | - |
| Depreciation charge for the year | - | 1,229.57 | 2,958.66 | 5.77 | 133.53 | 136.30 | 240.21 | 131.14 | 4,835.18 | - |
| Disposals/adjustments | - | (62.19) | (635.60) | (4.82) | (2.14) | (60.56) | (14.19) | (0.41) | (779.91) | - |
| As at March 31, 2022 | - | 6,953.03 | 19,822.34 | 11.93 | 663.72 | 620.32 | 1,308.08 | 623.94 | 30,003.36 | - |
| Depreciation charge for the year | - | 1,815.99 | 3,069.81 | 5.73 | 152.57 | 233.01 | 342.59 | 130.65 | 5,750.35 | - |
| Disposals/adjustments | - | (3.03) | (107.33) | - | (7.77) | (44.96) | (73.86) | (0.20) | (237.15) | - |
| Foreign currency translation reserve | - | 153.13 | 618.08 | (0.01) | 1.53 | (0.13) | 9.19 | - | 781.79 | - |
| As at March 31, 2023 | - | 8,919.12 | 23,402.90 | 17.65 | 810.05 | 808.24 | 1,586.00 | 754.39 | 36,298.35 | - |
| Net carrying amount | | | | | | | | | | |
| As at March 31, 2022 | 1,843.96 | 17,126.13 | 21,195.20 | 102.73 | 732.94 | 608.73 | 1,049.57 | 888.29 | 43,547.55 | 11,989.21 |
| As at March 31, 2023 | 1,886.26 | 17,679.84 | 19,898.69 | 96.93 | 672.28 | 878.89 | 1,024.56 | 766.15 | 42,903.60 | 28,749.03 |

Notes:

- Property, plant and equipment and capital work-in-progress has been pledged as security amounted ₹ 49,039.43 Lakhs (March 31, 2022: ₹ 37,222.83 Lakhs).
- Refer note no. 52 for disclosure of commitment for expenditure on account of acquisition of Property, plant and equipment.
- There are no title deeds of Immovable Properties, which are not held in name of the Group.
- Capital work-in-progress represents assets under construction & installation at various sites and ageing analysis is as below:

(₹ in Lakhs)

| Particulars | March 31, 2023 | | | | | March 31, 2022 | | | | |
|----------------------|--|-----------|-----------|-------------------|-----------|--|-----------|-----------|-------------------|-----------|
| | Amount in Capital Work-in-progress for a period of | | | | Total | Amount in Capital Work-in-progress for a period of | | | | Total |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 25,580.91 | 3,168.12 | - | - | 28,749.03 | 11,989.21 | - | - | - | 11,989.21 |

- Schedule for Capital work-in-progress whose completion is overdue compared to its original plan:

(₹ in Lakhs)

| Particulars | March 31, 2023 | | | | | March 31, 2022 | | | | |
|----------------------|--|-----------|-----------|-------------------|-----------|--|-----------|-----------|-------------------|-------|
| | Amount in Capital Work-in-progress for a period of | | | | Total | Amount in Capital Work-in-progress for a period of | | | | Total |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 10,390.22 | - | - | - | 10,390.22 | - | - | - | - | - |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 4 : RIGHT-OF-USE ASSETS

(₹ in Lakhs)

| Particulars | Leasehold land | Buildings | Plant & Equipment | Total |
|--|-----------------|------------------|-------------------|------------------|
| Cost | | | | |
| At April 1, 2021 | 2,104.72 | 14,506.09 | 174.19 | 16,785.00 |
| Additions | 2,628.77 | 787.57 | - | 3,416.34 |
| Disposal/Transfer | (594.33) | (166.90) | (2.01) | (763.24) |
| As at March 31, 2022 | 4,139.16 | 15,126.76 | 172.18 | 19,438.10 |
| Additions | - | 40.54 | - | 40.54 |
| Disposal/Transfer | (5.61) | (277.77) | (0.14) | (283.52) |
| As at March 31, 2023 | 4,133.55 | 14,889.53 | 172.04 | 19,195.12 |
| Accumulated Depreciation | | | | |
| At April 1, 2021 | 100.37 | 2,434.02 | 70.73 | 2,605.12 |
| Charge for the year | 111.12 | 2,803.89 | 39.05 | 2,954.06 |
| Disposal/transfer | (12.10) | (43.66) | (1.04) | (56.80) |
| As at March 31, 2022 | 199.39 | 5,194.25 | 108.74 | 5,502.38 |
| Charge for the year | 203.07 | 2,691.89 | 37.23 | 2,932.19 |
| Disposal/transfer | - | (94.15) | (0.10) | (94.25) |
| As at March 31, 2023 | 402.46 | 7,791.99 | 145.87 | 8,340.32 |
| Net book value as at March 31, 2022 | 3,939.77 | 9,932.51 | 63.44 | 13,935.72 |
| Net book value as at March 31, 2023 | 3,731.09 | 7,097.54 | 26.17 | 10,854.80 |

(i) Refer note no. 47 for detailed disclosures as per Ind AS 116 'Leases'.

(ii) Leasehold land has been pledged as security amounted ₹ 730.27 Lakhs (March 31, 2022, Rs. 737.91 Lakhs).

NOTE 5 : INTANGIBLE ASSETS

(₹ in Lakhs)

| Particulars | Goodwill | Other Intangible assets | Total |
|--|------------------|-------------------------|------------------|
| Cost | | | |
| At April 1, 2021 | 26,306.69 | 292.99 | 26,599.68 |
| Additions | - | 4.73 | 4.73 |
| Disposal/Transfer | (1,108.13) | (12.93) | (1,121.06) |
| As at March 31, 2022 | 25,198.56 | 284.79 | 25,483.35 |
| Additions | - | - | - |
| Disposal/Transfer | - | - | - |
| Foreign currency translation reserve | 2,200.19 | 25.93 | 2,226.12 |
| As at March 31, 2023 | 27,398.75 | 310.72 | 27,709.47 |
| Accumulated Amortisation | | | |
| At April 1, 2021 | - | 292.99 | 292.99 |
| Charge for the year | - | 0.14 | 0.14 |
| Disposal/Transfer | - | (12.93) | (12.93) |
| As at March 31, 2022 | - | 280.20 | 280.20 |
| Charge for the year | - | 1.59 | 1.59 |
| Disposal/Transfer | - | - | - |
| Foreign currency translation reserve | - | 25.64 | 25.64 |
| As at March 31, 2023 | - | 307.43 | 307.43 |
| Net book value as at March 31, 2022 | 25,198.56 | 4.59 | 25,203.15 |
| Net book value as at March 31, 2023 | 27,398.75 | 3.29 | 27,402.04 |

Note : Intangible assets has been pledged as security amounted ₹ 33.65 Lakhs (March 31, 2022: ₹ 33.67 Lakhs).

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 6 : INVESTMENT PROPERTY

(₹ in Lakhs)

| Particulars | Freehold land | Leasehold land | Buildings | Total |
|--|---------------|----------------|-----------------|-----------------|
| Cost | | | | |
| At April 1, 2021 | 10.90 | 68.47 | 6,328.54 | 6,407.91 |
| Additions | - | - | - | - |
| Disposal/Transfer | - | - | - | - |
| As at March 31, 2022 | 10.90 | 68.47 | 6,328.54 | 6,407.91 |
| Additions | - | - | - | - |
| Disposal/Transfer | - | - | - | - |
| As at March 31, 2023 | 10.90 | 68.47 | 6,328.54 | 6,407.91 |
| Accumulated Depreciation | | | | |
| At April 1, 2021 | - | 4.55 | 497.89 | 502.44 |
| Charge for the year | - | 0.91 | 287.45 | 288.36 |
| Disposal/Transfer | - | - | - | - |
| As at March 31, 2022 | - | 5.46 | 785.34 | 790.80 |
| Charge for the year | - | 0.91 | 277.39 | 278.30 |
| Disposal/Transfer | - | - | - | - |
| As at March 31, 2023 | - | 6.37 | 1,062.73 | 1,069.10 |
| Net book value as at March 31, 2022 | 10.90 | 63.01 | 5,543.20 | 5,617.11 |
| Net book value as at March 31, 2023 | 10.90 | 62.10 | 5,265.81 | 5,338.81 |

Notes:

- Refer 'Para- 2.4' of Significant Accounting Policies for depreciation and measurement of Investment property.
- The leasehold land has been amortised during the year by ₹ 0.91 Lakhs (March 31, 2022: ₹ 0.91 Lakhs) as per the accounting policy in terms of the Ind AS 40 on 'Investment Property'.
- Income from investment property :

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Rental Income derived from investment property | 216.63 | 214.73 |
| Profit arising from investment property before depreciation | 216.63 | 214.73 |
| (Less): Depreciation for the year | (278.30) | (288.36) |
| Net profit/(loss) arising from investment property | (61.67) | (73.63) |

- The Group has obtained independent valuation for its investment properties at ₹ 11,431.96 Lakhs as on March 31, 2023 and ₹ 10,857.04 Lakhs as on March 31, 2022. These valuations are based on valuations performed by K.S. Agrawal Associates, an accredited independent valuer. K.S. Agrawal Associates is a specialist in valuing these types of investment properties and reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an asset of equivalent utility, depreciation and obsolescence. Fair market value is the amount expressed in terms of money that may reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that Group shall continue to operate and run the assets to have economic utility. The fair value is on 'as is where is' basis.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

- e. There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements thereof and there are no restriction on remittance of income and proceeds of disposal.
- f. The investment properties which are leasehold properties, realisability of the same is subject to the terms and conditions under the respective lease agreements.
- g. The Group's Investment Properties are given on cancellable lease for a period 1-10 years.

NOTE 7 : INVESTMENTS (NON CURRENT)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| In Bonds & Debentures - fully paid up | | |
| Carried at amortised cost - Unquoted | 0.35 | 0.35 |
| Carried at fair value through Other Comprehensive Income - Quoted | - | 47,876.02 |
| Carried at fair value through Profit & Loss - Unquoted | 5,640.94 | 5,006.80 |
| Total Investments | 5,641.29 | 52,883.17 |
| Aggregate amount of Quoted Investments | - | 47,876.02 |
| Market value of Quoted Investments | - | 47,876.02 |
| Aggregate amount of Unquoted Investment | 5,641.29 | 5,007.15 |
| Aggregate amount of impairment in value of Investment | - | - |

The above bonds and debentures carries coupon rate ranging from 8% to 10.50% (March 31, 2022: 8% to 10.50%).

NOTE 8 : LOANS (NON CURRENT)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------|-------------------------|-------------------------|
| (Unsecured, considered good) | | |
| At amortised cost | | |
| Loans to employees | 10.53 | 7.59 |
| Other Loans | 183.38 | - |
| Total | 193.91 | 7.59 |

NOTE 9 : OTHER FINANCIAL ASSETS (NON CURRENT)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------|-------------------------|-------------------------|
| (Unsecured, considered good) | | |
| Security deposits | 517.63 | 452.27 |
| Deposits with Banks: | | |
| - held as margin money | 1.34 | 1.34 |
| | 518.97 | 453.61 |

NOTE 10 : DEFERRED TAX ASSETS

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------|-------------------------|-------------------------|
| Deferred tax assets | 1,367.82 | 783.19 |
| Total | 1,367.82 | 783.19 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Movement of deferred tax assets

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Deferred tax assets in relation to | | |
| Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting purposes | (24.23) | (97.29) |
| Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis | 37.75 | 29.69 |
| Fair value gain/(loss) on financial instruments at fair value through statement of profit & loss (net) | (9.03) | (2.36) |
| Remeasurements gain / (loss) of the net defined benefit plans | 11.62 | (0.53) |
| Lease Liabilities (net) | (149.72) | 10.62 |
| Business loss | 815.33 | 233.46 |
| Others | 686.10 | 609.60 |
| Total | 1,367.82 | 783.19 |

NOTE 11 : NON CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Advance income tax (net of provision of ₹ 13,963.88 Lakhs (March 31,2022: ₹ 26,077.86 Lakhs)) | 1,238.76 | 693.34 |
| Total | 1,238.76 | 693.34 |

NOTE 12 : OTHER NON CURRENT ASSETS

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------|-------------------------|-------------------------|
| (Unsecured, considered good) | | |
| Capital advances* | 3,357.30 | 2,485.15 |
| Prepaid rent | 38.48 | 38.82 |
| Loan and advances | 147.36 | 40.00 |
| Total | 3,543.14 | 2,563.97 |

*For value of contracts in capital account remaining to be executed (refer note no. 52)

NOTE 13 : INVENTORIES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| (Valued at lower of cost and net realisable value unless otherwise stated) | | |
| Raw materials | 17,906.82 | 16,417.46 |
| Raw materials (In transit) | 1,913.61 | 2,975.91 |
| Work-in-progress | 5,397.21 | 5,331.22 |
| Finished goods | 3,429.56 | 4,016.91 |
| Stock-in-trade | 2,590.31 | 840.21 |
| Packing materials | 593.20 | 839.91 |
| Packing materials (In transit) | 40.68 | 54.88 |
| Stores and spares | 1,236.80 | 938.29 |
| Stores & spares (In transit) | 24.49 | 31.10 |
| Total | 33,132.68 | 31,445.89 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Notes:

- (i) Value of inventories above is net of provision for slow moving/ obsolete inventories amounting to ₹ 655.58 Lakhs (March 31, 2022: ₹ 126.98 Lakhs) for write-down to net realisable value and provision for slow-moving and obsolete items.
- (ii) Inventories held by the Group are subject to hypothecation by bankers towards working capital limits obtained by the Group (refer note no. 54).

NOTE 14 : INVESTMENTS (CURRENT)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| In Mutual Funds - fully paid up | | |
| Carried at fair value through profit and loss- Quoted | 71,168.46 | 8,913.05 |
| In Bonds & Debentures - fully paid up | | |
| Carried at amortised cost - Unquoted | 27.27 | 25.00 |
| Total Investments | 71,195.73 | 8,938.05 |
| Aggregate amount of Quoted Investments | 71,168.46 | 8,913.05 |
| Aggregate market value of Quoted Investments | 71,168.46 | 8,913.05 |
| Aggregate amount of Unquoted Investments | 27.27 | 25.00 |
| Aggregate amount of impairment in value of Investment | - | - |

NOTE 15 : TRADE RECEIVABLES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| (At amortised cost) | | |
| Unsecured | | |
| Trade receivables - considered good (refer note below) | 28,197.60 | 26,939.30 |
| Trade receivables - considered doubtful | 2,553.65 | 800.02 |
| Trade receivables (gross) | 30,751.25 | 27,739.32 |
| Less: Impairment allowance for trade receivables considered doubtful | (2,553.65) | (800.02) |
| Total | 28,197.60 | 26,939.30 |

Notes :

- a. No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person.
- b. Trade receivables are usually non-interest bearing and are on trade terms of 0 - 60 days.
- c. For trade receivables, the Group has applied the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

d. Movement in the expected credit loss allowance:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Balance at the beginning of the year | 800.02 | 1,557.95 |
| Charge / (reversal) in allowance during the year (net) | 1,753.63 | (757.93) |
| Balance at the end of the year | 2,553.65 | 800.02 |

e. Refer note no. 50 for information about credit and market risk of trade receivables.

f. Realization from trade receivables held by Group are subject to hypothecation by bankers towards working capital limits obtained by the Group.

g. Below is the ageing analysis of trade receivables:

As on March 31, 2023

(₹ in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|-----------------------|----------------------|---------------|--------------|----------------------|------------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | more than 3 years | |
| (i) Undisputed trade receivables | | | | | | | |
| - considered good | 9,819.90 | 18,164.40 | 114.68 | 71.44 | 5.84 | 21.34 | 28,197.60 |
| - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (ii) Disputed trade receivables | | | | | | | |
| - considered good | - | - | - | - | - | - | - |
| - which have significant increase in credit risk | - | 284.52 | 463.80 | 701.93 | 83.86 | 1,019.54 | 2,553.65 |
| Total | 9,819.90 | 18,448.92 | 578.48 | 773.37 | 89.70 | 1,040.88 | 30,751.25 |

As on March 31, 2022

(₹ in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|-----------------------|----------------------|---------------|---------------|----------------------|------------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | more than 3 years | |
| (i) Undisputed trade receivables | | | | | | | |
| - considered good | 14,289.28 | 12,407.13 | 190.67 | 17.59 | 2.97 | 28.86 | 26,936.50 |
| - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (ii) Disputed trade receivables | | | | | | | |
| - considered good | - | - | - | 2.80 | - | - | 2.80 |
| - which have significant increase in credit risk | - | 38.29 | 76.03 | 241.88 | 175.13 | 268.69 | 800.02 |
| Total | 14,289.28 | 12,445.42 | 266.70 | 262.27 | 178.10 | 297.55 | 27,739.32 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 16 : CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Balance Sheet as follows:

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Balance with banks : | | |
| Current accounts | 4,072.18 | 3,126.46 |
| Fixed deposits account with an original maturity of less than three months | 141.76 | 933.87 |
| Cash on hand | 13.11 | 20.95 |
| Total | 4,227.05 | 4,081.28 |

Notes:

- There are no restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior years.
- Cash balances with bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of one to three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

NOTE 17 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Deposits having original maturity more than 3 months but less than 12 months | 26.65 | 31.58 |
| Total | 26.65 | 31.58 |

Note: Other bank balances represents fixed deposits with banks.

NOTE 18 : LOANS (CURRENT)

| Particulars | (₹ in Lakhs) | |
|-------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (Unsecured, considered good) | | |
| (At amortised cost) | | |
| Loans to employees | 67.05 | 57.36 |
| Inter-corporate deposits | - | 500.00 |
| Total | 67.05 | 557.36 |

Note: In the above no loans or advances are granted to promoters, directors, KMPs and related parties.

NOTE 19 : OTHER FINANCIAL ASSETS (CURRENT)

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (Unsecured, considered good) | | |
| Interest accrued but not due on deposits with Banks, bonds and debentures | 7.83 | 1,983.18 |
| Insurance claim receivable | 0.22 | 0.11 |
| Other Receivables | - | 6.00 |
| Rodtep incentive receivable | 14.71 | 1.59 |
| Other loans and advances (refer note below) | 77.22 | 643.35 |
| Total | 99.98 | 2,634.23 |

Note: Other loans & advances comprise of advances to staff for expenses and advances to other parties etc.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 20 : OTHER CURRENT ASSETS

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| (Unsecured, considered good) | | |
| Advance to contractors/suppliers | 1,874.32 | 1,425.74 |
| Balances with Statutory/Government authorities: | | |
| - Excise & Custom | 250.80 | 13.58 |
| - GST | 2,804.17 | 1,046.54 |
| - VAT/Sales Tax | 488.11 | 742.08 |
| Prepaid expenses (refer note (a)) | 625.29 | 490.89 |
| Lease equalisation | 68.24 | 66.33 |
| Other loans and advances | 123.97 | 70.68 |
| Right to recover return goods (refer note (b)) | 146.12 | 166.14 |
| Total | 6,381.02 | 4,021.98 |

Notes:

- Prepaid expenses includes amount of ₹ 47 Lakhs towards amount available for set off in pursuant of sub-rule(3) of rule 7 of the Companies (Corporate social responsibility policy) rules, 2014 (refer note no. 58).
- In certain cases, the Company provides its customers right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled.

The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, the Company recognises Liability for expected sales return, a receivables on expected sales return (and corresponding adjustment to change in inventory is also recognised for the receivables on expected sales return from a customer).

NOTE 21 : EQUITY SHARE CAPITAL

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| (a) Authorised share capital: | | |
| 20,00,00,000 fully paid equity shares of ₹ 5 /- each | 10,000.00 | 4,401.05 |
| (March 31, 2022 : 8,80,21,000 fully paid equity shares of ₹ 5 /- each) | | |
| | 10,000.00 | 4,401.05 |
| Issued, subscribed & paid up share capital: | | |
| 9,75,65,616 fully paid equity shares of ₹ 5 /- each | 4,878.28 | 2,439.14 |
| (March 31, 2022 : 4,87,82,808 equity shares of ₹ 5 /- each) | | |
| Total | 4,878.28 | 2,439.14 |

(b) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | Number of shares | ₹ in Lakhs | Number of shares | ₹ in Lakhs |
| At the beginning of the year | 4,87,82,808 | 2,439.14 | 4,87,82,808 | 2,439.14 |
| Bonus shares issued during the year (refer note no. 21(e)) | 4,87,82,808 | 2,439.14 | - | - |
| Outstanding at the end of the year | 9,75,65,616 | 4,878.28 | 4,87,82,808 | 2,439.14 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(c) Terms and rights attached to equity shares

The Holding Company has one class of equity shares having a par value of ₹ 5/- per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity Shareholders are eligible to receive the remaining assets of the Holding Company in proportion of their shareholding.

(d) Details of shareholders holding more than 5% shares in the Holding Company

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---------------------------------|----------------------|--------------|----------------------|--------------|
| | Number of shares | % of holding | Number of shares | % of holding |
| Sh. Rahul Gautam | 1,24,18,970 | 12.73% | 62,09,485 | 12.73% |
| Smt. Namita Gautam | 1,14,31,758 | 11.72% | 57,15,879 | 11.72% |
| Sh. Tushaar Gautam | 3,41,72,628 | 35.03% | 1,70,86,314 | 35.03% |
| Rangoli Resorts Private Limited | 1,31,50,818 | 13.47% | 65,63,391 | 13.45% |
| SBI Magnum Midcap Fund | 84,70,282 | 8.68% | 43,84,301 | 8.99% |
| Kotak Emerging Equity Scheme | 63,00,647 | 6.46% | 30,84,942 | 6.32% |
| DSP Midcap Fund | 43,11,428 | 4.42% | 24,38,196 | 5.00% |

(e) Aggregate number and class of shares allotted as fully paid up by way of bonus shares

During the year 4,87,82,808 fully paid up equity shares of ₹ 5/- each, were allotted by way of bonus shares to all the shareholders in the ratio of 1:1.

(f) Shareholding of promoters & promoter group

| Shares held by promoters at the end of the year | As at March 31, 2023 | | | As at March 31, 2022 | | |
|---|----------------------|---------------|--------------------------|----------------------|---------------|--------------------------|
| | Number of shares | % of holding | % Change during the year | Number of shares | % of holding | % Change during the year |
| Sh. Rahul Gautam | 1,24,18,970 | 12.73% | - | 62,09,485 | 12.73% | - |
| Smt. Namita Gautam | 1,14,31,758 | 11.72% | - | 57,15,879 | 11.72% | - |
| Sh. Tushaar Gautam | 3,41,72,628 | 35.03% | - | 1,70,86,314 | 35.03% | - |
| Rangoli Resorts Private Limited | 1,31,50,818 | 13.47% | 0.02% | 65,63,391 | 13.45% | - |
| Core Mouldings Private Limited | - | - | -0.02% | 12,018 | 0.02% | - |
| Total | | 72.95% | | | 72.95% | |

(g) No class of shares have been issued as bonus shares or for consideration other than cash by the Holding Company during the period of five years immediately preceding the current year end. However, certain bonus shares has been issued during the year, refer (e) above.

NOTE 22 : OTHER EQUITY

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| Capital reserve (refer note (a) below) | 67.05 | 395.62 |
| General reserve (refer note (b) below) | - | 1,716.27 |
| Retained earnings | 150,763.76 | 131,331.19 |
| Other comprehensive income | - | 423.97 |
| Cash flow hedge reserve (refer note (c) below) | (260.25) | - |
| Foreign currency translation reserve (refer note (d) below) | 4,526.94 | 2,879.86 |
| Capital Subsidy | 63.40 | 70.57 |
| Total | 1,55,160.90 | 1,36,817.48 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Capital reserve | | |
| Opening balance | 395.62 | 2,364.58 |
| Foreign exchange gain/(loss) on reserve | - | (1,968.96) |
| Bonus Shares issued during the year | (328.57) | - |
| Closing balance | 67.05 | 395.62 |
| General Reserve | | |
| Opening balance | 1,716.27 | 1,716.27 |
| Bonus Shares issued during the year | (1,716.27) | - |
| Closing balance | - | 1,716.27 |
| Retained earnings | | |
| Opening balance | 1,31,331.19 | 1,10,120.96 |
| Net profit for the year | 20,115.67 | 21,732.97 |
| Bonus shares issued during the year | (394.30) | - |
| Expenses towards increase in authorised capital | (50.39) | - |
| Dividend paid to non-controlling interest | (103.00) | (146.02) |
| Remeasurements of the net defined benefit plans (net of tax) | (135.57) | (377.42) |
| Other adjustments | 0.16 | 0.70 |
| Closing balance | 1,50,763.76 | 1,31,331.19 |
| Other Comprehensive Income | | |
| Opening balance | 423.97 | 181.59 |
| Fair value gain/(loss) on debt instruments (net of tax) | - | 242.38 |
| Realised gain from debt instruments transferred to profit and loss (net of tax) | (423.97) | - |
| Closing balance | - | 423.97 |
| Cash flow hedge reserve | | |
| Opening balance | - | - |
| Loss on cash flow hedge reserve (net of tax) | (260.25) | - |
| Closing balance | (260.25) | - |
| Foreign currency translation reserve | | |
| Opening balance | 2,879.86 | 1,549.57 |
| Exchange gain on translation (net) during the year | 1,647.08 | 1,330.29 |
| Closing balance | 4,526.94 | 2,879.86 |
| Capital Subsidy | | |
| Opening balance | 70.57 | 56.98 |
| Receipts during the year | - | 13.59 |
| Amortizations/repayments | (7.17) | - |
| Closing balance | 63.40 | 70.57 |

Notes:

(a) Capital reserve

During amalgamation of the subsidiaries in the year 2012-13, the excess of net assets taken, over the cost of consideration paid was treated as capital reserve. During the year, Holding Company had issued bonus share in the ratio of 1:1 out of capital reserve of ₹ 328.57 Lakhs.

(b) General reserve

The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. During the year, Company had issued bonus share in the ratio of 1:1 out of general reserve of ₹ 1,716.27 Lakhs.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(c) Cash flow hedge reserve

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated under the heading of cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss.

(d) Foreign currency translation reserve

The amount represents reserve arising from gain/loss on translation of the financial statements of foreign subsidiaries in the presentation currency of the Holding Company.

NOTE 23 : NON CURRENT BORROWINGS

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Secured | | |
| Term loan from banks | | |
| - INR bank loan | 4,072.83 | 352.68 |
| - USD bank loan | 5,802.25 | 7,247.32 |
| - AUD term loan | 6,045.95 | 5,368.35 |
| - EURO term loan | 12,459.60 | 9,767.62 |
| | 28,380.63 | 22,735.97 |
| Unsecured | | |
| Loan from financial credit institutions | - | 82.21 |
| | - | 82.21 |
| Total | 28,380.63 | 22,818.18 |

Notes:

- INR & USD Term loans taken by International Comfort Technologies Private Limited from JP Morgan chase bank, N.A, India & Kotak Mahindra Bank respectively for purchase of capital equipments for its Nandigram & towards construction of Mandla (Jabalpur) manufacturing facilities and has been secured by hypothecation of first charge on entire fixed assets (Movable fixed assets and immovable fixed assets).
- INR Term Loan taken by International Comfort Technologies Private Limited carries interest to be charged on loan linked to 1.37% over 3M T- Bill. Rates as applicable on the date of agreement shall be revised at interval of every 3 months. The loan is repayable in 16 equal installments with in 5 years of disbursement considering 1 year of moratorium period from the first disbursement.
- USD Term Loan taken by International Comfort Technologies Private Limited carries interest of 2.25% p.a. and is repayable in 16 equal installments with in 5 years of disbursement considering 1 year of moratorium period from the first disbursement.
- EURO Term Loan from Citi Bank is taken by International Foam Technologies Spain S.L based on Stand by Letter of Credit from Citi Bank, India secured by exclusive charge on certain fixed assets of the Holding Company.

The term loan carry the arithmetic sum of the reference Interest rate viz. 3 month EURIBOR communicated by the bank for the period and accepted by the borrower. The principal amount of Loan will be repaid by the Company in 20 quarterly equated installments as per predefined schedule and with first installment started from October, 2020 and last installment due in October, 2025.

- AUD Term Loan from Citi Bank, Australia is taken by Joyce Foam PTY Ltd. secured by a first registered mortgage over the freehold property and by a fixed and floating charge over all the assets and undertaking of the consolidated group including plant & machinery. The term loans carry an interest rate which is aggregate of the applicable Margin and BBSY Bid communicated by the bank for the interest period and accepted by the borrower. The principal amount of the loan will be repaid in 60 monthly installments as per predefined schedule with the first installement started from July 2021 and the last installments due in June 2026. The facility agreement with Citi Bank requires the following covenants to be maintained at a group and a company level mention below:

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

- i. Gross Leverage ratio (Group) less than 2.5
- ii. Debt Service Coverage Ratio (Group) greater than 1.4
- iii. Debt to Tangible Net Worth (Group) less than 2.0
- iv. Fixed Asset Coverage Ratio (Company) greater than 1.25

As at the end of the reporting period, the above ratios has been complied with.

- f. Purpose of loan and its utilization:

| Particulars of loan | Purpose (as per Loan Agreement) | Whether used for the purpose stated in the loan Agreement | If no, mention the purpose for which it is utilised |
|---------------------------|---|---|---|
| JP Morgan (INR Loan) | The facility shall be used by the borrower towards Capex at their new plants in Nandigram and Jabalpur. | Yes | Not Applicable |
| Kotak Mahindra (USD Loan) | For capex at Maneri, Medhi Niwas, Jabalpur, Madhya Pradesh and Nandigram, Umbergaon, Valsad, Gujarat. | Yes | Not Applicable |
| Citi Bank (EURO Loan) | The purpose of the loan is the acquisition of the shares of the target company. | Yes | Not Applicable |
| Citi Bank (AUD Loan) | The facility shall be used for capital expenditure for acquisition of Plant , Machinery and equipment. | Yes | Not Applicable |

- g. Repayment schedule for secured loan taken during the year:

| Particulars | Citi Bank, Spain (AUD Loan) | Citi Bank, Spain (EURO Loan) | JP Morgan, India (INR loan) | Kotak Mahindra , India (USD Loan) |
|---|-----------------------------|------------------------------|-----------------------------|-----------------------------------|
| Number of installments due (Nos) | 39 | 10 | 16 | 16 |
| Frequency of Installments | Monthly | Quarterly | Quarterly | Quarterly |
| Rate of Interest (%) | BBSY+ Applicable Margin | 3 Month EURIBOR | 1.37% over 3M T- Bill rates | 2.25% |
| Within one year (₹ in Lakhs) (refer note no. 29) | 1,886.50 | 5,960.88 | 1,357.61 | 1,934.08 |
| After one year but not more than 5 years (₹ in Lakhs) | 6,045.95 | 12,459.60 | 4,072.83 | 5,802.25 |
| More than 5 years (₹ in Lakhs) | - | - | - | - |

- h. During previous financial year, ₹ 82.21 Lakhs obtained from various financials credit institutions. These unsecured loans carried interest rate 0.90%.

NOTE 24 : LEASE LIABILITIES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------------|----------------------|----------------------|
| Lease liabilities (refer note no. 47) | 10,347.47 | 12,870.97 |
| Total | 10,347.47 | 12,870.97 |
| Current | 1,598.40 | 2,306.18 |
| Non current | 8,749.07 | 10,564.79 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 25 : OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------------|-------------------------|-------------------------|
| Deposits from dealers and others | 2,528.16 | 4,941.19 |
| Unearned Interest Income on Deposits | - | 66.00 |
| Unearned Rent Income | 20.00 | 26.89 |
| Others | 45.80 | - |
| Total | 2,593.96 | 5,034.08 |

NOTE 26 : PROVISIONS

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Long term provisions: | | |
| Provision for employee benefits: | | |
| - Compensated absences | 671.82 | 1,592.91 |
| - Gratuity | 149.04 | 101.37 |
| Other provisions: | | |
| - Provision for warranty (refer note below) | 483.33 | 238.31 |
| Total | 1,304.19 | 1,932.59 |
| Short term provisions: | | |
| Provision for employee benefits: | | |
| - Compensated absences | 968.96 | 9.93 |
| - Gratuity | 441.90 | 605.18 |
| Other provisions: | | |
| - Provision for warranty (refer note below) | 639.89 | 441.02 |
| Total | 2,050.75 | 1,056.13 |

Note:

Provision for warranty:

Provision is recognised for expected warranty claims on mattresses sold, based on past experience of the level of returns and in accordance with the Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'. Assumptions used for the said provision are sales return trend based on past warranty sales. The table below gives information about movement in warranty provision:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------|-------------------------|-------------------------|
| At the beginning of the year | 679.33 | 622.07 |
| Add : Created during the year | 1,175.79 | 983.10 |
| Less : Utilised during the year | (731.90) | (925.84) |
| At the end of the year | 1,123.22 | 679.33 |

NOTE 27 : OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|------------------------|-------------------------|-------------------------|
| Deferred capital grant | 19.85 | 22.70 |
| Total | 19.85 | 22.70 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

The table below gives information about movement in deferred capital grant:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| At the beginning of the year | 25.52 | 28.36 |
| Less : Realised to statement of profit and loss | 2.84 | 2.84 |
| At the end of the year | 22.68 | 25.52 |
| Non Current | 19.85 | 22.70 |
| Current | 2.84 | 2.82 |

NOTE 28 : DEFERRED TAX LIABILITIES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------|-------------------------|-------------------------|
| Deferred tax liabilities | 831.69 | 966.99 |
| Total | 831.69 | 966.99 |

Movement of deferred tax liabilities

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Deferred tax liabilities in relation to | | |
| Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting purposes | 586.13 | 322.72 |
| Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis | (109.58) | (289.83) |
| Fair value gain/(loss) on financial instruments at fair value through statement of profit & loss (net) | 220.35 | 62.48 |
| Remeasurements gain/(loss) of the net defined benefit plans | (41.59) | - |
| MTM loss on forward currency swap contract | (420.32) | - |
| Lease Liabilities (net) | 17.69 | 387.94 |
| Others | 579.01 | 483.68 |
| Total | 831.69 | 966.99 |

NOTE 29 : BORROWINGS (CURRENT)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Secured | | |
| Term loan from banks | | |
| - INR bank loan | 1,357.61 | - |
| - USD bank loan | 1,934.08 | - |
| - AUD term loan | 1,886.50 | 1,337.17 |
| - EURO term loan | 5,960.88 | 2,800.61 |
| Working capital loans from banks (refer note (a)) | 1,925.80 | - |
| | 13,064.87 | 4,137.78 |
| Unsecured | | |
| Loan from financial credit institutions (refer note (b)) | 5,315.56 | 6,703.47 |
| Loan and advances from others (refer note (c)) | - | 116.07 |
| | 5,315.56 | 6,819.54 |
| Total | 18,380.43 | 10,957.32 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Notes:

- The Joyce Foam PTY Ltd., Australia has taken working capital facility to meet day to day funds requirement with interest rate for this facility @ 5.64% approx (refer note no. 54 for assets pledged as security).
- The Interplasp S.L, Spain has taken discounting and foreign trade facilities to meet day to day working capital requirement with interest rate for these facilities ranging from 0.90% to 1.10% (March 31, 2022 : 0.70% to 1.35%).
- Loan and advances from others carries interest charged equated to the lender's cost of borrowing plus a margin that does not exceed the cost charged by the Bank.

NOTE 30 : TRADE PAYABLES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Trade payables other than acceptances: | | |
| (i) Total outstanding dues of micro enterprises and small enterprises (refer note no. 57) | 722.01 | 506.29 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 25,219.37 | 28,036.46 |
| Total | 25,941.38 | 28,542.75 |

Notes:

- Trade payables for micro and small enterprises are non interest bearing and are normally settled on 7 days to 30 days credit terms.
- Trade payables other than micro and small enterprises are non interest bearing and are normally settled on 60 days to 90 days credit terms.
- Ageing Analysis for Trade payables:

As on March 31, 2023

(₹ in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|---------------------|---------------------|--------------|-------------|----------------------|------------------|
| | Unbilled Dues | Payables not due | Less than 1 Year | 1-2 years | 2-3 years | more than 3 years | |
| (i) MSME | - | 719.70 | 2.31 | - | - | - | 722.01 |
| (ii) Others | 1,216.98 | 17,815.64 | 6,167.64 | 18.63 | 0.48 | - | 25,219.37 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total | 1,216.98 | 18,535.34 | 6,169.95 | 18.63 | 0.48 | - | 25,941.38 |

As on March 31, 2022

(₹ in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|---------------------|---------------------|-------------|-------------|----------------------|------------------|
| | Unbilled Dues | Payables not due | Less than 1 year | 1-2 years | 2-3 years | more than 3 years | |
| (i) MSME | - | 505.27 | 1.02 | - | - | - | 506.29 |
| (ii) Others | 4,864.84 | 17,542.68 | 5624.77 | 0.68 | 3.49 | - | 28,036.46 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total | 4,864.84 | 18,047.95 | 5625.79 | 0.68 | 3.49 | - | 28,542.75 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 31 : OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Deposits from dealers and others | 6,283.61 | 3,996.74 |
| Book overdraft | - | 26.77 |
| Creditors for capital goods | 587.55 | 270.24 |
| Liability against foreign currency swap contracts | 2,268.27 | - |
| Interest accrued but not due on borrowings | 16.01 | - |
| Other liabilities | 8.17 | 37.99 |
| Unearned Interest Income | - | 63.99 |
| Unearned Rent Income | 6.89 | 6.87 |
| Total | 9,170.50 | 4,402.60 |

NOTE 32 : CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Provision for income tax (Net of advance tax of ₹ 67 lakhs) | 117.14 | - |
| Total | 117.14 | - |

NOTE 33 : OTHER CURRENT LIABILITIES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Refund liabilities | 235.95 | 265.82 |
| Deferred capital grant (refer note (a)) | 2.84 | 2.82 |
| Contract liabilities (refer note (b)) | 3,774.66 | 3,538.82 |
| Statutory dues payable | 2,390.84 | 1,813.70 |
| Employees & other Liabilities (refer note (c)) | 4,672.01 | 2,081.86 |
| Total | 11,076.30 | 7,703.02 |

Notes :

- Refer note no. 27 for the movement in deferred capital grant.
- Consists of advances received from customers towards supply of products.
- Consists of liabilities pertaining to employees of ₹ 2,229.60 Lakhs (March 31, 2022: ₹ 2,322.80 Lakhs).

NOTE 34 : REVENUE FROM OPERATIONS

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Sale of products | 2,86,011.15 | 2,85,755.17 |
| Sale of services | 825.13 | 610.08 |
| | 2,86,836.28 | 2,86,365.25 |
| Other operating revenue | | |
| - Job Work Services | - | 4.25 |
| - Rodtep scheme subsidy | 13.68 | 10.70 |
| - Income from sale of processed scrap | 482.13 | 177.64 |
| Total | 2,87,332.09 | 2,86,557.84 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Reclassifications and comparative figures:-

Certain reclassifications have been made to the comparative year's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been reclassified in the statement of profit and loss, the details of which are as under:

Items of Statement of Profit and Loss before and after reclassification for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars | Amount before reclassification | Reclassification | Amount after reclassification |
|----------------------------|--------------------------------|------------------|-------------------------------|
| Revenue from operations | 2,98,180.84 | (11,623.00) | 2,86,557.84 |
| Cost of materials consumed | 1,79,850.03 | 3,475.00 | 1,83,325.03 |
| Employee benefits expense | 25,768.82 | (221.25) | 25,547.57 |
| Other expenses | 50,462.64 | (14,876.75) | 35,585.89 |

NOTE 34.1 : DISAGGREGATED REVENUE INFORMATION

Set out below is the disaggregation of the Group's revenue from contracts with customers:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|-----------------------------------|-----------------------------------|
| Geographical Revenue | | |
| Type of goods | | |
| Revenue from external customers | 2,86,011.15 | 2,85,755.17 |
| Total revenue from contracts with customers | | |
| India | 1,98,852.01 | 1,95,001.30 |
| Outside India | 87,159.14 | 90,753.87 |
| | 2,86,011.15 | 2,85,755.17 |
| Type of services (IT Support Services) | | |
| Revenue from external customers | 825.13 | 610.08 |
| Total revenue from contracts with customers | | |
| India | 450.15 | 297.64 |
| Outside India | 374.98 | 312.44 |
| | 825.13 | 610.08 |
| Total revenue from contracts with customers | 2,86,836.28 | 2,86,365.25 |

NOTE 34.2 : CONTRACT BALANCES

The following table provides information about receivables and contract liabilities from contract with customers:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Contract Liabilities | | |
| Advance from customers (refer note no. 33) | 3,774.66 | 3,538.82 |
| Receivables | | |
| Trade Receivables (refer note no. 15) | 28,197.60 | 26,939.30 |

Note:

Receivables is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customers in advance.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 34.3 : RECONCILING THE AMOUNT OF REVENUE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS WITH THE CONTRACTED PRICE

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Revenue as per contracted price (goods and services) | 3,07,616.84 | 3,03,349.28 |
| Less: Adjustments | | |
| Sales return | 1,118.38 | 1,260.72 |
| Rebate and discount | 19,662.18 | 15,723.31 |
| Revenue from contracts with customers | 2,86,836.28 | 2,86,365.25 |

NOTE 34.4 : PERFORMANCE OBLIGATIONS

The performance obligation for sale of product is considered as fulfilled according to the terms agreed with the respective customer. The performance obligation for sale of services is satisfied over the period of time as per contract with customers.

NOTE 35 : OTHER INCOME

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Interest income from: | | |
| Financial assets at amortised cost | | |
| Bank deposits | 16.01 | 7.67 |
| Inter-corporate-deposit | 28.48 | 45.00 |
| Currency swap forward contract | 335.17 | - |
| Security deposits | 2.23 | - |
| Others | 107.22 | 3.62 |
| Financial assets at fair value | | |
| Bonds | 2,646.85 | 3,713.11 |
| Unwinding of discount of deposits & lease receivable | 140.14 | - |
| Income tax refund | 176.37 | - |
| Other non operating income | | |
| Rental income (refer note (a)) | 1,256.62 | 1,138.54 |
| Gain on sale/disposal of fixed assets | 48.72 | - |
| Liabilities/provisions no longer required written back | 12.15 | 59.43 |
| Income from sale of Investments | 1,868.80 | 1,228.48 |
| Fair valuation adjustments of Investments through profit and loss (refer note (b)) | 899.08 | 13.77 |
| Subsidy income | 2.84 | 2.84 |
| Grant income | 34.59 | 134.70 |
| Sale of non-processed scrap | 675.79 | 578.69 |
| Net gain on foreign currency transactions and translations | 187.91 | 749.67 |
| Other miscellaneous income | 211.15 | 240.80 |
| Total | 8,650.12 | 7,916.32 |

Notes:

- Includes rental income of ₹ 216.63 Lakhs (March 31, 2022: ₹ 214.73 Lakhs) from Investment property (refer note no. 5).
- FVTPL of Investments represent fair valuation changes in mutual funds which includes dividend declared and not distributed (distributed based on record dates) as at reporting dates which have not been recognised in financial statements.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 36 : COST OF MATERIALS CONSUMED

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Raw material | | |
| Opening inventory | 19,393.37 | 16,296.05 |
| Add: Purchases | 1,58,835.62 | 1,83,309.17 |
| Less: Sales/adjustments | (4,255.46) | (4,445.35) |
| Less: Closing inventory (including goods in transit of ₹ 1913.61 Lakhs (March 31, 2022: ₹ 2,975.91 Lakhs) | (19,894.13) | (19,393.37) |
| Raw materials consumed | 1,54,079.40 | 1,75,766.50 |
| Packing Material | | |
| Opening inventory | 894.79 | 648.24 |
| Add: Purchases | 8,018.11 | 8,570.16 |
| Less: Sales/adjustments | (527.99) | (765.08) |
| Less: Closing inventory (including goods in transit of ₹ 40.68 Lakhs (March 31, 2022: ₹ 54.88 Lakhs) | (633.88) | (894.79) |
| Packing materials consumed | 7,751.03 | 7,558.53 |
| Cost of materials consumed | 1,61,830.43 | 1,83,325.03 |

NOTE 37 : PURCHASE OF STOCK-IN-TRADE

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Traded Goods -Bed sheets/comforters/PU foam/spring/coir mattresses | 18,063.14 | 5,353.84 |
| Total | 18,063.14 | 5,353.84 |

NOTE 38 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Closing stock: | | |
| Finished goods | 3,429.56 | 4,016.91 |
| Stock-in-trade | 2,590.31 | 840.21 |
| Work-in-progress | 5,397.21 | 5,331.22 |
| Right to recover return goods | 146.12 | 166.14 |
| | 11,563.20 | 10,354.48 |
| Opening stock: | | |
| Finished goods | 4,016.91 | 3,017.25 |
| Stock-in-trade | 840.21 | 138.23 |
| Work-in-progress | 5,331.22 | 6,221.22 |
| Right to recover return goods | 166.14 | - |
| | 10,354.48 | 9,376.70 |
| Changes in Inventories of finished goods, stock-in-trade and work-in-progress | (1,208.72) | (977.78) |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 39 : OTHER MANUFACTURING EXPENSES

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|------------------------------|--------------------------------------|--------------------------------------|
| Power and fuel | 1,731.44 | 1,568.18 |
| Repair and maintenance: | | |
| - Buildings | 241.33 | 173.56 |
| - Plant and equipment | 2,139.02 | 1,900.41 |
| Processing and other charges | 2,652.94 | 2,586.54 |
| Total | 6,764.73 | 6,228.69 |

NOTE 40 : EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Salaries, wages, allowance, and other benefits | 24,839.81 | 22,702.21 |
| Contribution to gratuity (refer note no. 45) | 307.94 | 185.39 |
| Contribution to provident and other funds | 1,502.64 | 1,405.60 |
| Workmen and staff welfare expenses | 1,325.48 | 1,254.37 |
| | 27,975.87 | 25,547.57 |
| Less: Transfer to Capital work-in-progress / Capitalised | 60.54 | - |
| Total | 27,915.33 | 25,547.57 |

NOTE 41 : FINANCE COSTS

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Interest expense (on financial liabilities measured at amortised cost): | | |
| - On borrowings from banks | 1,171.85 | 297.91 |
| - Security deposits | 526.92 | 523.06 |
| - On lease liabilities | 464.48 | 557.25 |
| - Others | 111.58 | 131.68 |
| Bank Charges | 87.16 | 199.44 |
| | 2,361.99 | 1,709.34 |
| Less: Transfer to Capital work-in-progress / Capitalised | 254.92 | 12.03 |
| Total | 2,107.07 | 1,697.31 |

NOTE 42 : DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Depreciation on property, plant and equipment (refer note no. 3) | 5,750.35 | 4,835.17 |
| Depreciation on right-of-use assets (refer note no. 4) | 2,932.19 | 2,954.06 |
| Amortisation of intangible assets (refer note no. 5) | 1.59 | 0.14 |
| Depreciation on investment property (refer note no. 6) | 278.30 | 288.36 |
| Total | 8,962.43 | 8,077.73 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 43 : OTHER EXPENSES

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Freight and forwarding | 13,660.00 | 12,900.42 |
| Rent and hire | 833.94 | 620.70 |
| Insurance | 1,537.60 | 1,247.87 |
| Rates and taxes | 417.44 | 356.72 |
| Legal and professional | 1,616.93 | 1,393.48 |
| Other Maintenance | 1,329.29 | 1,007.08 |
| Selling and promotion | 7,639.87 | 4,301.99 |
| Travelling and conveyance | 1,743.26 | 957.73 |
| Advertisement | 7,452.27 | 7,044.42 |
| Warranty | 1,175.79 | 970.42 |
| Net Loss on foreign currency forward contracts | 1,322.29 | - |
| Contribution towards corporate social responsibility expenditure (refer note no. 58) | 476.02 | 457.53 |
| Net loss on foreign currency transactions and translations | 441.08 | 256.93 |
| IT Support services | 218.13 | 221.25 |
| Bad debts | 510.60 | 15.16 |
| Provision for Bad debts | 360.20 | 5.07 |
| Advances/Balances written off | - | 34.18 |
| Fair value loss on Investments designated through profit and loss | - | 382.97 |
| Loss on sale/disposal of fixed assets | - | 28.16 |
| Miscellaneous | 3,695.10 | 3,494.52 |
| | 44,429.81 | 35,696.60 |
| Less: Transfer to Capital work-in-progress / Capitalised | 190.29 | 110.71 |
| Total | 44,239.52 | 35,585.89 |

NOTE 43.1 : AUDITOR'S REMUNERATION INCLUDED IN LEGAL AND PROFESSIONAL (EXCLUDING GST)

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Statutory audit (including limited review)* | 38.00 | 41.00 |
| Certification* | 2.75 | 2.00 |
| Out of pocket expenses* | 1.95 | 1.00 |
| Total | 42.70 | 44.00 |

*Includes ₹ Nil (March 31, 2022 : ₹ 5.43 Lakhs) paid to erstwhile auditors.

NOTE 44 : EARNINGS PER SHARE

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Profit for the year attributable to Equity shareholders | 20,306.22 | 21,872.80 |
| Earnings used in the calculation of basic earnings per share | 20,306.22 | 21,872.80 |
| Earnings used in the calculation of diluted earnings per share | 20,306.22 | 21,872.80 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Numbers in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Weighted average number of equity shares for the purposes of basic and diluted earnings per share | 975.66 | 975.66 |

Note:

The EPS for year ended March 31, 2022 has been adjusted on account of bonus issue made during the year ended March 31, 2023, by Holding Company as required by Ind AS 33 'Earnings per Share'.

(₹ per share)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Basic and diluted earnings per share | 20.81 | 22.42 |

NOTE 45 : EMPLOYEE BENEFITS (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

A. Defined contribution plans

Employees are covered by Provident Fund and Employees State Insurance Scheme/Fund and National Pension Scheme, to which companies makes a defined contribution measured as a fixed percentage of salary. During the year, amount of ₹ 774.14 Lakhs (March 31, 2022: ₹ 696.42 Lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Employer's contribution towards Provident Fund (PF) | 681.92 | 605.11 |
| Employer's contribution towards Employees State Insurance (ESI) | 47.61 | 56.49 |
| Employer's contribution towards National Pension Scheme (NPS) | 44.61 | 34.82 |
| Total (Refer note no. 40) | 774.14 | 696.42 |

B. Long Term Benefit

Long service award

Payable to the eligible employees as retention earned leave, after completion of service of five years, which can be en-cashed or accumulated till retirement. During the year, the Group had discontinued this policy. An amount of ₹ Nil (March 31, 2022: ₹ 146.01 Lakhs) has been charged to the Statement of Profit and Loss towards the said benefit.

C. Post employment benefits

Defined benefit plans

Gratuity

The employees' gratuity fund scheme, which is a defined benefit plan, is managed by a trust with effect from 2019 and is being maintained by SFL Employees gratuity trust. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure on 15 days of last drawn salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

This plan is governed by the Payment of Gratuity Act, 1972, which requires that each employee who has completed 5 years of service shall be entitled to gratuity which is equal to salary of 15 days for each completed year of service.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

The principal assumptions used for the purposes of the actuarial valuations were as follows:

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Discount rate | 7.36% | 7.51% |
| Future salary increase/salary escalation | 7.00% | 7.00% |
| Retirement age (years) | 60 | 60 |
| Mortality Tables | | |
| <i>Employee turnover</i> | | |
| 18 to 30 years | 3.40% | 3.00% |
| From 31 to 45 years | 3.70% | 2.00% |
| Above 45 years | 0.80% | 1.00% |

Notes:

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- Information given for retirement age is based on India's standard mortality table with modification to reflect expected changes in mortality/others.

Quantitative sensitivity analysis for significant assumptions as at March 31, 2023 is shown below:

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Increase / (decrease) on present value of defined benefits obligations at the end of the year | | |
| Discount rate | | |
| Increase by 1.00% | (316.43) | (284.20) |
| Decrease by 1.00% | 360.67 | 331.38 |
| Salary increase | | |
| Increase by 1.00% | 358.37 | 329.76 |
| Decrease by 1.00% | (320.17) | (288.20) |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss, Other Comprehensive Income and the funded status and amounts recognised in the Balance Sheet for the gratuity plan. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Expense recognised in Statement of Profit and Loss and Other Comprehensive Income:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Service cost: | | |
| Current service cost | 241.43 | 178.11 |
| Net interest expense | 66.51 | 7.28 |
| Components of defined benefit costs recognised in profit or loss | 307.94 | 185.39 |
| Remeasurement on the net defined benefit liability: | | |
| Actuarial (gains) / losses arising from changes in financial assumptions | 52.63 | 431.36 |
| Actuarial (gains) / losses arising from changes in demographic assumptions | 1.35 | - |
| Actuarial (gains) / losses arising from experience adjustments | 148.43 | (11.05) |
| Return on Plan Asset | (21.24) | 5.37 |
| Components of defined benefit costs recognised in other comprehensive income | 181.17 | 425.68 |
| Total | 489.11 | 611.07 |

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Present value of funded defined benefit obligation | 3,060.57 | 2,545.11 |
| Fair value of plan assets | (2,469.63) | (1,838.56) |
| Net liability arising from defined benefit obligation (refer note no. 26) | 590.94 | 706.55 |

Movements in the present value of the defined benefit obligation are as follows:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Opening defined benefit obligation | 2,545.11 | 1,874.96 |
| Current service cost | 241.43 | 178.11 |
| Interest cost | 191.14 | 132.73 |
| Remeasurement (gains)/losses: | | |
| Actuarial (gains) / losses arising from changes in financial assumptions | 52.63 | 433.18 |
| Actuarial (gains) / losses arising from changes in demographic assumptions | 1.35 | (12.87) |
| Actuarial (gains) / losses arising from experience adjustments | 148.43 | 18.42 |
| Benefits paid | (119.52) | (79.42) |
| Closing defined benefit obligation | 3,060.57 | 2,545.11 |

Change in plan assets are as follows:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Opening fair value of plan assets | 1,838.56 | 1,850.54 |
| Return on plan assets | 124.63 | 125.46 |
| Employer contribution | 603.04 | 5.00 |
| Actuarial (gain)/loss on Asset | 21.24 | 5.37 |
| Benefits paid | (117.84) | (147.81) |
| Closing fair value of plan assets | 2,469.63 | 1,838.56 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

The major categories of plan assets:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------|-------------------------|-------------------------|
| Insurance products | 2,469.63 | 1,838.56 |
| Total | 2,469.63 | 1,838.56 |

Maturity profile of gratuity liability is as follows:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|----------------|-------------------------|-------------------------|
| 0 to 1 year | 127.79 | 54.03 |
| 1 to 2 Year | 108.36 | 45.55 |
| 2 to 3 Year | 135.86 | 57.27 |
| 3 to 4 Year | 159.19 | 117.36 |
| 4 to 5 Year | 128.66 | 154.36 |
| 5 Year onwards | 2,400.71 | 2116.54 |

Expected contribution to the fund in next year (₹ in Lakhs)

688.52 823.87

Risk exposure

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

a. Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yields. If plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk. A portion of the funds are invested in equity securities. The Group has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Group intends to maintain the above investment mix in the continuing years.

b. Changes in discount rate:

A decrease in discount rate will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's assets holdings.

c. Inflation risks:

Gratuity payments are not linked to inflation, so this is a less material risk.

The Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Group has not changed the processes used to manage its risks from previous periods. The Group uses derivatives to manage some of its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets consists of unit linked group insurance plan which further invests in government and corporate bonds, equities, money market instruments & public deposits. The plan asset mix is in compliance with the requirements of the respective local regulations.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 46 : RELATED PARTY TRANSACTIONS

(A) Names of related parties and nature of relationship are given below :

| Relationship | Name of the party |
|--|---|
| a. Enterprises exercising control (Parent Company) | Sheela Foam Limited |
| b. Entities in which Key Management Personnel or their Relatives have significance influence | Rangoli Resorts Private Limited |
| | Core Moulding Private Limited (Merged with Rangoli Resorts Private Limited W.e.f 30.03.2022) |
| | Sleepwell Foundation (Trust) |
| c. Key management personnel (Executive Directors) | Mr. Rahul Gautam |
| | Mrs. Namita Gautam |
| | Mr. Tushaar Gautam |
| | Mr. Rakesh Chahar |
| | Mr. Kevin Graham |
| | Mr. Rajiv Dhar |
| | Mr. D. Alejandro Juan Palao Serrano |

(B) Disclosure of transactions between the Group and related parties during the year:

| Particulars | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| (i) Sale of material/ capital goods | | |
| Related entities | | |
| Sleepwell Foundation (Trust) | 0.18 | 0.36 |
| | 0.18 | 0.36 |
| (ii) Key management personnel | | |
| Compensation of Key management personnel | | |
| Short-term Employee Benefits | 1,431.86 | 1,419.73 |
| Post Employment Benefits | 25.19 | 13.56 |
| | 1,457.05 | 1,433.29 |
| (iii) Contributions for CSR expenses | | |
| Sleepwell Foundation (Trust) | 275.00 | 315.00 |
| | 275.00 | 315.00 |

(C) Disclosure of balances outstanding at the end of the reporting year:

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Post employee benefit plan for the benefitted employees | | |
| SFL Employee Gratuity Trust | 439.04 | 603.04 |
| Payable to key managerial personnel | 693.06 | 748.02 |

NOTE 47 : DISCLOSURES AS PER IND AS 116 'LEASES'

(A) Group as lessee

- (i) The Group's significant leasing arrangements are in respect of the following assets:

The Group has lease of land and buildings for offices, warehouses and service centers. Right-of-use Assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The lease terms for leasehold buildings ranges between 3 years to 10 years.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(ii) The carrying amounts of lease liabilities and the movements during the year:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Opening Liabilities | 12,870.97 | 12,860.24 |
| Additions | 40.54 | 2,490.99 |
| Accretion of interest | 464.48 | 557.25 |
| Repayment of Lease liabilities | (2,821.38) | (2,445.30) |
| Cancellation / adjustments | (207.14) | (592.21) |
| Closing liabilities | 10,347.47 | 12,870.97 |
| Current | 1,598.40 | 2,306.18 |
| Non current | 8,749.07 | 10,564.79 |
| | 10,347.47 | 12,870.97 |

(iii) Maturity analysis of the lease liabilities:

(₹ in Lakhs)

| Contractual undiscounted cash flows | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| 3 months or less | 554.21 | 765.50 |
| 3-12 months | 1,459.28 | 2,380.51 |
| 1-2 years | 1,575.74 | 2,335.75 |
| 2-5 years | 3,086.61 | 4,406.38 |
| More than 5 years | 7,568.82 | 7,906.67 |
| Total undiscounted lease liability | 14,244.66 | 17,794.81 |
| Less: Impact of discounting and other adjustments | 3,897.19 | 4,923.84 |
| Lease liabilities | 10,347.47 | 12,870.97 |

(iv) The following are the amounts recognised in the Statement of Profit and Loss:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Finance cost | 464.48 | 557.25 |
| Depreciation and amortisation expense | 2,932.19 | 2,954.06 |
| Expenses relating to short term leases | 833.94 | 620.70 |

(v) The following are the amounts disclosed in the Statement of Cash Flows:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--------------------------|--------------------------------------|--------------------------------------|
| Cash outflow from leases | 2,821.38 | 2,445.30 |

(vi) There are no variable lease payments considered in the initial measurement of the lease liability and asset.

(vii) Extension and termination options held are exercisable based on mutual agreement of the Company and the lessors.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(B) Group as lessor

The Group has entered into lease agreements to lease the following properties which have been treated as "Investment Property".

| | |
|--|--|
| Land & Factory Building situated at Sikkim | The lease agreement was executed on 1st December, 2016. The said lease is for a term of 10 years with a clause to enable upward revision of the rental charge after every 3 years. The total rent recognized as income during the year is ₹ 160.60 Lakhs (March 31, 2022: ₹ 158.40 Lakhs). |
| Residential Flat situated at Greater Noida | The lease agreement was executed w.e.f. 15th September, 2018. The said lease was initially for a term of 11 months with a clause of subsequent renewal by mutual consent and the same being ongoing renewed. The total rent recognized as income during the year is ₹ 8.52 Lakhs (March 31, 2022: ₹ 7.20 Lakhs). |
| Land & Factory Building situated at Silvassa | The lease agreement was executed w.e.f. 31st August, 2020. The said lease is for an initial period of 3 years with a clause of automatically renewal for year-on-year basis until receive termination from party. Lease rent will be increased by 5% if both parties agreed on year-on-year basis. The total rent recognized as income during the year is ₹ 47.51 Lakhs (March 31, 2022: ₹ 49.13 Lakhs). |

NOTE 48 : FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The Group has disclosed financial instruments such as trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.
2. Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

NOTE 49 : FAIR VALUE HIERARCHY

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1** - The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.
- **Level 2** - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- **Level 3** - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in preference shares, other investments, loans receivables and lease receivables included in level 3.

Valuation Processes

The finance department of the Group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Group Chief Financial Officer (CFO) including Board of Directors. Discussions of valuation processes and results are held between the CFO and the valuation team every month. The Group takes the help of independent valuers for valuation purposes.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Fair Valuation Technique

The carrying amounts of trade receivables, trade payables, creditors towards capital goods, cash and cash equivalents, investment in pref. share, other investment and other bank balances are considered to be the same as their fair values, due to their short-term nature.

The fair values of financial assets and liabilities consisting of loans receivable, lease receivable, lease liabilities, security deposits receivable and security deposit payable were calculated based on cash flows discounted using estimated borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2023:

Fair Value measurement hierarchy of Assets:

(₹ in Lakhs)

| Particulars | Date of Valuation | Fair value measurement using | | | |
|---|-------------------|------------------------------|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial Assets measured at fair value through profit and loss | | | | | |
| Other Investments | March 31, 2023 | 76,809.40 | 71,168.46 | 5,640.94 | - |
| Financial Assets measured at fair value through other comprehensive income | | | | | |
| Other Investments | March 31, 2023 | - | - | - | - |
| Financial Assets measured at amortized cost | | | | | |
| Other Investments | March 31, 2023 | 27.62 | - | - | 27.62 |
| Loans | March 31, 2023 | 260.96 | - | - | 260.96 |
| Trade receivables | March 31, 2023 | 28,197.60 | - | - | 28,197.60 |
| Cash and cash equivalents | March 31, 2023 | 4,227.05 | - | - | 4,227.05 |
| Bank balances other than cash and cash equivalents | March 31, 2023 | 26.65 | - | - | 26.65 |
| Other financial assets | March 31, 2023 | 618.95 | - | - | 618.95 |

(₹ in Lakhs)

| Assets for which Fair Values are disclosed: | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Investment Property | 11,431.96 | 10,857.04 |

Fair Value measurement hierarchy of Liabilities:

(₹ in Lakhs)

| Particulars | Date of Valuation | Fair value measurement using | | | |
|---|-------------------|------------------------------|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial liabilities measured at amortized cost | | | | | |
| Borrowings | March 31, 2023 | 46,761.06 | - | - | 46,761.06 |
| Lease liabilities | March 31, 2023 | 10,347.47 | - | - | 10,347.47 |
| Trade payables | March 31, 2023 | 25,941.38 | - | - | 25,941.38 |
| Other financial liabilities | March 31, 2023 | 11,764.46 | - | - | 11,764.46 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2022:

Fair Value measurement hierarchy of Assets:

(₹ in Lakhs)

| Particulars | Date of Valuation | Fair value measurement using | | | |
|---|-------------------|------------------------------|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial Assets measured at fair value through profit and loss | | | | | |
| Other Investments | March 31, 2022 | 13,919.85 | 8,913.05 | 5,006.80 | - |
| Financial Assets measured at fair value through other comprehensive income | | | | | |
| Other Investments | March 31, 2022 | 47,876.02 | - | 47,876.02 | - |
| Financial Assets measured at amortized cost | | | | | |
| Other Investments | March 31, 2022 | 25.35 | - | - | 25.35 |
| Loans | March 31, 2022 | 564.95 | - | - | 564.95 |
| Trade receivables | March 31, 2022 | 26,939.30 | - | - | 26,939.30 |
| Cash and cash equivalents | March 31, 2022 | 4,081.28 | - | - | 4,081.28 |
| Bank balances other than cash and cash equivalents | March 31, 2022 | 31.58 | - | - | 31.58 |
| Other financial assets | March 31, 2022 | 3,087.84 | - | - | 3,087.84 |

Fair Value measurement hierarchy of Liabilities:

(₹ in Lakhs)

| Particulars | Date of Valuation | Fair value measurement using | | | |
|---|-------------------|------------------------------|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial liabilities measured at amortized cost | | | | | |
| Borrowings | March 31, 2022 | 33,775.50 | - | - | 33,775.50 |
| Lease liabilities | March 31, 2022 | 12,870.97 | - | - | 12,870.97 |
| Trade payables | March 31, 2022 | 28,542.75 | - | - | 28,542.75 |
| Other financial liabilities | March 31, 2022 | 9,436.68 | - | - | 9,436.68 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 50 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprises of borrowings , lease liabilities, deposits from dealers, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group is exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group are accountable to the Board of Directors and Audit Committee. This process provides assurance to Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Group policies and Group risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include deposits from dealers, investments and foreign currency receivables and payables.

The sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

The analysis exclude the impact of movements in market variables on, the carrying values of gratuity and other post-retirement obligations, provisions and the non-financial assets and liabilities.

The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2023 and March 31, 2022.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. The Group is exposed to foreign currencies such as "USD", "AED", "GBP", "NZD" and "EURO".

The carrying amount of the foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

| (₹ in Lakhs) | | | |
|-----------------------------------|----------|-------------------------|-------------------------|
| Particulars | Currency | As at March 31, 2023 | As at March 31, 2022 |
| Financial assets: | | | |
| Trade receivables | USD | 817.82 | 778.46 |
| Trade receivables | AED | 205.88 | - |
| Bank balances | AED | - | 0.11 |
| Bank balances | USD | - | 268.87 |
| Financial liabilities: | | | |
| Trade payables | USD | (2,358.02) | (2,030.66) |
| Trade payables | EURO | (33.08) | (79.48) |
| Trade payables | GBP | (20.00) | (19.28) |
| Trade payables | NZD | - | (127.14) |
| Creditors for Capital Goods | EURO | (59.44) | - |
| Term Loan | USD | (7,736.33) | (7,247.32) |
| Net assets / (liabilities) | | (9,183.17) | (8,456.44) |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Foreign currency sensitivity analysis

The Group is mainly exposed to USD, EURO, GBP, AUD, AED and NZD. The following table demonstrate the sensitivity to a reasonably possible change in respective exchange rates, with all other variables held constant.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for sensitivity change in foreign currency rates. A positive number below indicates an increase in profit or equity and vice-versa.

Foreign currency sensitivity

(₹ in Lakhs)

| Currency | % | As at March 31, 2023 | % | As at March 31, 2022 |
|----------|-----|-------------------------|-----|-------------------------|
| USD | 2% | (185.53) | 2% | (164.61) |
| USD | -2% | 185.53 | -2% | 164.61 |
| EURO | 3% | (2.78) | 3% | (2.38) |
| EURO | -3% | 2.78 | -3% | 2.38 |
| GBP | 2% | (0.40) | 2% | (0.39) |
| GBP | -2% | 0.40 | -2% | 0.39 |
| NZD | 5% | - | 5% | (6.36) |
| NZD | -5% | - | -5% | 6.36 |
| AED | 2% | 4.12 | 2% | 0.00 |
| AED | -2% | (4.12) | -2% | (0.00) |

(ii) Interest risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Group's financial liabilities comprises mainly of interest-bearing project term loans. However, these are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

(iii) Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of bedding articles, home comfort products, furniture cushioning and specialized foam and therefore require a continuous supply of raw materials i.e. TDI and Polyol being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the TDI and Polyol, the Group has entered into various purchase contracts for these material for which there is an active market. The Group's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Group partly mitigated the risk of price volatility by entering into the contract for the purchase of these material and further, the Group increases prices of its products as and when appropriate to minimize the impact of increase in raw material prices.

b) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

(i) Trade receivables

Customer credit risk is managed by the Group through its established policies and procedures which involve setting up credit limits based on credit profiling of individual customers, credit approvals for enhancement of limits and regular monitoring of important developments viz. payment history, change in credit limits, regulatory changes, industry outlook etc. Outstanding receivables are regularly monitored and an impairment analysis is performed at each reporting date on an individual basis for each major customer. In accordance with Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or reversal thereof. Concentration of credit risk with respect to trade receivables are limited, due to Group's customer base being large and diverse. All trade receivables are reviewed and assessed for default on monthly basis.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy. Surplus funds are invested in bank deposits, bonds, debentures and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the Balance sheet at March 31, 2023 and March 31, 2022 is the carrying amounts which are given below. Trade receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Group.

| (₹ in Lakhs) | | |
|--|-------------------------|-------------------------|
| Particulars | As at March 31, 2023 | As at March 31, 2022 |
| Non-current assets | | |
| Investments | 5,641.29 | 52,883.17 |
| Loans | 193.91 | 7.59 |
| Other financial assets | 518.97 | 453.61 |
| Current assets | | |
| Investments | 71,195.73 | 8,938.05 |
| Trade receivables | 28,197.60 | 26,939.30 |
| Cash and cash equivalents | 4,227.05 | 4,081.28 |
| Bank balances other than cash and cash equivalents | 26.65 | 31.58 |
| Loans | 67.05 | 557.36 |
| Other financial assets | 99.98 | 2,634.23 |
| Total | 1,10,168.23 | 96,526.17 |

(c) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short-term bank deposits, short term investments and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group assessed the concentration of risk with respect to its debt and concluded it to be very low.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

| (₹ in Lakhs) | | | |
|-----------------------------|------------------|------------------|------------------|
| Particulars | Less than 1 Year | More than 1 Year | Total |
| As at March 31, 2023 | | | |
| Trade payables | 25,922.27 | 19.11 | 25,941.38 |
| Other financial liabilities | 9,170.50 | 2,593.96 | 11,764.46 |
| Borrowings | 18,380.43 | 28,380.63 | 46,761.06 |
| Lease liability | 1,598.40 | 8,749.07 | 10,347.47 |
| | 55,071.60 | 39,742.77 | 94,814.37 |
| As at March 31, 2022 | | | |
| Trade payables | 28,538.58 | 4.17 | 28,542.75 |
| Other financial liabilities | 4,402.60 | 5,034.08 | 9,436.68 |
| Borrowings | 10,957.32 | 22,818.18 | 33,775.50 |
| Lease liability | 2,306.18 | 10,564.79 | 12,870.97 |
| | 46,204.68 | 38,421.22 | 84,625.90 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 51 : CAPITAL MANAGEMENT

The Group's objective in managing its capital is to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The Group considers the following components of its Balance Sheet to manage capital:

1) Share Capital and 2) Other Reserves comprising of General Reserve and Retained Earnings. The Group capital structure is based on the Management's assessment of the balances of key elements to ensure strategic decisions and day to day activities.

(₹ in Lakhs, unless otherwise stated)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Equity | 4,878.28 | 2,439.14 |
| Other equity | 1,55,987.36 | 1,37,580.81 |
| Total equity (i) | 1,60,865.64 | 1,40,019.95 |
| Borrowings | 46,761.06 | 33,775.50 |
| Less: Cash and cash equivalents | 4,227.05 | 4,081.28 |
| Total debt (ii) | 42,534.01 | 29,694.22 |
| Overall financing (iii) = (i) + (ii) | 2,03,399.65 | 1,69,714.17 |
| Gearing ratio (In %) | (ii) / (iii) 21% | 17% |

The Holding Company has not distributed any dividend to its shareholders. The Group monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. The capital structure of the Group is managed with a view of the overall macro economic conditions and the risk characteristics of the underlying assets. The Group's policy is to maintain a strong capital structure with a focus to mitigate all existing and potential risks to the Group, maintain shareholder, vendor and market confidence and sustain continuous growth and development of the Group. The Group's focus is on keeping a strong total equity base to ensure independence, security, as well as high financial flexibility without impacting the risk profile of the Group. In order, to maintain or adjust the capital structure, the Group will take appropriate steps as may be necessary.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

NOTE 52 : COMMITMENTS FOR EXPENDITURE

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of ₹ 3,357.30 Lakhs (March 31, 2022: ₹ 2,485.15 Lakhs)) | 6,538.31 | 7,313.94 |
| Total | 6,538.31 | 7,313.94 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 53 : CONTINGENT LIABILITIES

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Claims against the holding company not acknowledged as debt (refer note below) | | |
| Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards: | | |
| Sales tax | 439.99 | 480.99 |
| Entry tax | 194.11 | 194.11 |
| Income tax | 564.99 | 439.12 |
| Excise Duty | 410.57 | 410.57 |

Note:

The Group is contesting these demands and the management including its advisers are of the view that these demands may not be sustainable at the appellate level. The management believes that the ultimate outcome of these proceedings will not have any material adverse effect on the Holding company's financial position and results of operations. The Holding company does not expect any reimbursement in respect of these contingent liabilities and it is not practicable to estimate the timing of cash outflows, if any, in respect of these matters, pending resolution of the appellant proceedings.

NOTE 54 : ASSET PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Current asset | | |
| Inventories | 6,457.53 | 5,776.56 |
| Trade receivables | 6,355.16 | 6,252.66 |
| Other current financial assets | 28.72 | - |
| Other current assets | 552.41 | 2,452.68 |
| | 13,393.82 | 14,481.90 |
| Non-Current assets | | |
| Leasehold land | 730.27 | 737.91 |
| Property, plant and equipment | 24,416.66 | 25,466.33 |
| Capital work-in-progress | 24,622.77 | 11,756.50 |
| Intangible Assets | 33.65 | 33.67 |
| | 49,803.35 | 37,994.41 |
| Total Assets pledged as security | 63,197.17 | 52,476.31 |

Note based on the terms and conditions written on sanction letters by Banks:

- Term loan with JP Morgan and Kotak Mahindra Bank in International Comfort Technologies Private Limited has been secured by hypothecation of first charge on entire fixed assets (Movable fixed assets and immovable fixed assets) and corporate guarantee provided by Holding Company.
- Euro Term Loan with Citi Bank, Spain in International Foam Technologies S.L, Spain having exclusive charge on owned fixed assets (movable and immovable) in Holding company at manufacturing plant located at Jalpaiguri (West Bengal), Sahibabad (Uttar pradesh), Rajpura (Punjab) and Erode (Tamilnadu).
- AUD Term Loan with Citi Bank, Australia in Joyce Foam Pty. Ltd. having fixed charge over present and future interest in Non-Disposable Property (which include both Movable and Immovable property) & floating charge on all other assets which does not subject to fixed charge.
- Working capital loan with Citi Bank Australia in Joyce foam PTY Ltd., has been secured by hypothecation of first charge on entire current assets.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 55 : SEGMENT INFORMATION

Operating segment information

The Group is majorly engaged in the manufacturing of the products of same type/class and as such there is no reportable segment. As per Indian Accounting Standard (Ind AS 108) dealing with the operating segments, Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors of the Holding Company.

Geographical information

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Revenue from external customers | | |
| Within India | 1,99,797.97 | 1,95,491.53 |
| Outside India | 87,534.12 | 91,066.31 |
| Total revenue | 2,87,332.09 | 2,86,557.84 |
| Assets | | |
| Within India | 52,341.67 | 42,962.28 |
| Outside India | 67,688.51 | 58,805.53 |
| Total assets | 1,20,030.18 | 1,01,767.81 |

The revenue information is based on location of customers and excluding other operating revenue.

NOTE 56 : TRANSFER PRICING

The Group has appointed an independent consultant for conducting a Transfer Pricing Study to determine whether the transactions with associate enterprises undertaken during the financial year are on an "arm's length basis". The Transfer Pricing study under the Income Tax Act, 1961 in respect of transaction with the group companies for the financial year ended March 31, 2023 is not yet complete. Adjustments, if any, arising from Transfer Pricing study shall be accounted for as and when the study is completed. The management confirms that all international transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms. During the current year, the Transfer Pricing certificate under section 92E of Income Tax Act, 1961 for the year ended March 31, 2022 has been obtained and there are no adverse comments requiring adjustments.

NOTE 57 : EXPOSURE TOWARDS MICRO, SMALL AND MEDIUM ENTERPRISES

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| I The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Group are as under: | | |
| (i) The principal amount and the interest due thereon remaining unpaid to any supplier: | | |
| Principal amount | 722.01 | 506.29 |
| Interest | - | - |
| (ii) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ended | - | - |
| (iii) The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year) | - | - |
| (iv) The amount of interest accrued and remaining unpaid for the year ended | - | - |
| (v) The amount of further interest remaining due and payable for the earlier years | - | - |

The information has been given in respect of such suppliers to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Group. Further, the amount payable to these parties is not overdue, hence no interest is required to provided/accrued as at March 31, 2023 and March 31, 2022.

II The credit period for purchase of goods and services are from up to 30 days. No interest is chargeable on trade payables.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 58 : CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

As per provisions of Section 135 of the Companies Act, 2013, the Holding Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed by the Holding company for carrying out CSR activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects as per the Schedule VII of the Companies Act, 2013.

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| a) Gross amount required to be spent as per section 135 of the Act. | 476.02 | 409.07 |
| Add: Amount Unspent from previous years | - | - |
| Total Gross amount required to be spent during the year | 476.02 | 409.07 |
| b) Amount approved by the Board to be spent during the year | 523.02 | - |
| c) Amount spent during the year on | | |
| (i) Construction/acquisition of an asset | - | - |
| (ii) On purposes other than (i) above | 523.02 | 457.53 |
| d) Details related to amount spent | | |
| Contribution to Sleepwell Foundation Trust | 275.00 | 315.00 |
| Spent on Health Support, Promoting education including employment enhancing vocational skills | 248.02 | 142.53 |
| | 523.02 | 457.53 |
| e) Details of CSR expenditure in respect of other than ongoing projects | | |
| Balance (Short) / Excess as at opening | - | - |
| Amount deposited in Specified Fund of Schedule VII of the Act within 6 months | - | - |
| Amount required to be spent during the year | 476.02 | 457.53 |
| Amount spent during the year | 523.02 | 457.53 |
| Balance (Short) / Excess Spent at end of the year | 47.00 | - |

Note: Corporate social responsibility expenses of Company are managed by related party -Sleepwell foundation (refer note no. 46).

NOTE 59 : STATUTORY GROUP INFORMATION

(₹ in Lakhs, unless otherwise stated)

| Name of the entity in the Group | Net Assets, i.e. Total assets minus Total liabilities | | Share in Profit and loss | | Share in Other comprehensive income | | Share in Total Comprehensive Income | |
|--|---|--------------------|--------------------------------------|------------------|---|-----------------|---|------------------|
| | As % of consolidated net assets | Amount | As % of consolidated profit and loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| Parent | | | | | | | | |
| Sheela Foam Limited | | | | | | | | |
| Balance as at March 31, 2023 | 85% | 1,36,446.09 | 81% | 16,534.26 | -31% | (383.92) | 75% | 16,150.34 |
| Balance as at March 31, 2022 | 87% | 1,21,172.09 | 91% | 19,884.05 | 63% | (116.36) | 91% | 19,767.69 |
| Subsidiaries | | | | | | | | |
| Indian | | | | | | | | |
| 1 Divya Software Solutions Private Limited | | | | | | | | |
| Balance as at March 31, 2023 | -1% | (1,498.90) | -2% | (391.75) | 0% | 0.00 | -2% | (391.75) |
| Balance as at March 31, 2022 | -1% | (1,131.10) | -2% | (390.48) | 0% | 0.00 | -2% | (390.48) |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs, unless otherwise stated)

| Name of the entity in the Group | Net Assets, i.e. Total assets minus Total liabilities | | Share in Profit and loss | | Share in Other comprehensive income | | Share in Total Comprehensive Income | |
|--|---|--------------------|--------------------------------------|-------------------|---|-----------------|---|-------------------|
| | As % of consolidated net assets | Amount | As % of consolidated profit and loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| 2 Sleepwell Enterprises Private Limited | | | | | | | | |
| Balance as at March 31, 2023 | 0% | 230.19 | 0% | (20.30) | 0% | 0.00 | 0% | (20.30) |
| Balance as at March 31, 2022 | 0% | 207.32 | 0% | (28.56) | 0% | 0.00 | 0% | (28.56) |
| 3 Staquo World Private Limited | | | | | | | | |
| Balance as at March 31, 2023 | -1% | (904.22) | -7% | (1,397.24) | 0% | (5.95) | -7% | (1,403.19) |
| Balance as at March 31, 2022 | -1% | (809.03) | -5% | (1,156.72) | 12% | (22.28) | -5% | (1,179.00) |
| 4 International Comfort Technologies Private Limited | | | | | | | | |
| Balance as at March 31, 2023 | 1% | 1,149.43 | 9% | 1,881.40 | -1% | -10.76 | 9% | 1,870.64 |
| Balance as at March 31, 2022 | 0% | (587.51) | -3% | (591.13) | -2% | 3.61 | -3% | (587.52) |
| Foreign | | | | | | | | |
| 1 Joyce Foam Pty Ltd. | | | | | | | | |
| Balance as at March 31, 2023 | 9% | 14,297.89 | 5% | 1,087.99 | -1% | (10.71) | 5% | 1077.28 |
| Balance as at March 31, 2022 | 10% | 13,782.87 | 9% | 2,038.01 | 22% | (41.51) | 9% | 1996.50 |
| 2 International Foam Technologies Spain SLU | | | | | | | | |
| Balance as at March 31, 2023 | 6% | 10,318.70 | 12% | 2,421.31 | 133% | 1,662.60 | 19% | 4083.91 |
| Balance as at March 31, 2022 | 5% | 6,621.97 | 9% | 1,977.80 | 5% | (8.53) | 9% | 1969.27 |
| Non-controlling interests in all subsidiaries | | | | | | | | |
| Balance as at March 31, 2023 | 1% | 826.46 | 1% | 190.55 | 0% | 0.00 | 1% | 190.55 |
| Balance as at March 31, 2022 | 1% | 763.34 | 1% | 139.83 | 0% | 0.00 | 1% | 139.83 |
| Total | | | | | | | | |
| Balance as at March 31, 2023 | 100% | 1,60,865.64 | 100% | 20,306.22 | 100% | 1,251.26 | 100% | 21,557.48 |
| Balance as at March 31, 2022 | 100% | 1,40,019.95 | 100% | 21,872.80 | 100% | (185.07) | 100% | 21,687.73 |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 60 : INTEREST IN OTHER ENTITIES

Subsidiaries

The Group's subsidiaries at March 31, 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

| Name of entity | Place of business/ Country of Incorporation | Ownership interest held by the Group | | Ownership interest held by non-controlling interests | | Principal activities |
|---|--|--------------------------------------|----------------------|--|----------------------|--|
| | | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 | |
| Joyce Foam Pty. Ltd., Australia | Australia | 100% | 100% | 0% | 0% | Manufacturer of technical foam supplied to Business customers (mattress and furniture manufacturers) |
| Divya Software Solutions Private Limited, India | India | 100% | 100% | 0% | 0% | Software development and related ancillary activities |
| Sleepwell Enterprises Private Limited, India | India | 100% | 100% | 0% | 0% | Providing of its Trademarks, Patents, Logos etc. and earning royalty thereon |
| International Foam Technologies SL, Spain | Spain | 100% | 100% | 0% | 0% | To invest in a Wholly Owned Subsidiary Company in Spain, engaged in manufacturing of Polyurethane Foam |
| Staqo World Private Limited, India | India | 100% | 100% | 0% | 0% | Information technology and related ancillary activities |
| International comfort Technologies Private Limited, India | India | 100% | 100% | 0% | 0% | Manufacturer of mattresses supplied to domestic & overseas customers |
| Interplasp, SL, Spain (Subsidiary of International Foam Technologies SL, Spain) | Spain | 93.66% | 93.66% | 6.34% | 6.34% | Engaged in manufacturing of Polyurethane Foam |
| Joyce WC NSW PTY Ltd. (Subsidiary of Joyce Foam Pty Ltd., Australia) | Australia | 100% | 100% | 0% | 0% | Manufacturer of technical foam supplied to Business customers (mattress and furniture manufacturers) |
| Staqo World Kft. (Subsidiary of Staquo World Private Limited) | Hungary | 100% | 100% | 0% | 0% | Information technology and related ancillary activities |
| Staqo Incorporated. (Subsidiary of Staquo World Private Limited) | U.S. | 100% | 100% | 0% | 0% | Information technology and related ancillary activities |
| Staqo Technologies L.L.C (Subsidiary of Staquo World Private Limited) | Dubai | 100% | 100% | 0% | 0% | Information technology and related ancillary activities |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 61 : DERIVATIVES AND HEDGING

(i) Classification of derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are accounted for at fair value through profit or loss. Information about the derivatives used by the Company and outstanding as at the end of the financial year is provided below:

(₹ in Lakhs)

| Particulars | Financial Assets | | Financial liabilities | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 |
| Derivatives designated as Hedging Instruments: | | | | |
| Cross currency interest rate swap | - | - | 945.98 | - |
| Derivatives not designated as Hedging Instruments: | | | | |
| Principal only swap | - | - | 1,322.29 | - |

(ii) Hedging activities

Foreign Currency Risk

The Holding Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions.

Derivatives designated as hedging instruments are accounted for as cash flow hedges.

(iii) Hedge Effectiveness

For derivatives designated as hedging instruments, there is an economic relationship between the hedged items and the hedging instruments as the terms of the hedge contracts match the terms of hedge items. The Holding Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and interest rate are identical to the hedged risk components. To test the hedge effectiveness, the Holding Company compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

(iv) Source of Hedge ineffectiveness

For derivatives designated as hedging instruments, in case of foreign currency risk and interest rate risk, the main source of hedge ineffectiveness is the effect of the counterparty's credit risk on the fair value of hedge contracts, which is not reflected in the fair value of the hedged items. The effect of this is not expected to be material.

(v) Disclosures of effects of Cash Flow Hedge Accounting:

Hedging instruments

The Holding Company has taken derivatives to hedge its loan given to its subsidiary.

(₹ in Lakhs)

| Particulars | Less than 1 year | 1 to 5 year | More than 5 Years |
|--|------------------|-------------|-------------------|
| Cross currency interest rate swap | | | |
| As at March 31, 2023 | | | |
| Nominal Amount | - | - | 6,416.80 |
| As at March 31, 2022 | | | |
| Nominal Amount | - | - | - |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(vi) The effect of the cash flow hedge in the Statement of Profit & Loss and Other Comprehensive Income is as follows:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|--|-------------------------|
| Cash flow Hedge Reserve at the beginning of the year | - | - |
| Total hedging (loss) recognised in Other Comprehensive Income | (347.78) | - |
| Income tax on above | 87.53 | - |
| Ineffectiveness recognised in profit or loss | (1,322.29) | - |
| Line item in the statement of profit & loss that includes the recognised ineffectiveness | Net Loss on Foreign Currency Forward Contracts in "Other expenses" | - |
| Amount reclassified from Other Comprehensive Income to profit or loss | - | - |
| Income tax on above | - | - |
| Cash flow Hedge Reserve at the end of the year | (260.25) | - |
| Line item in the statement of profit & loss that includes the reclassification adjustments | Not Applicable | - |

(vii) The outstanding position of derivative instrument is as under:

(₹ in Lakhs)

| Nature | Currency | Purpose | As at March 31, 2023 | | As at March 31, 2022 | |
|-----------------------------------|----------|--|-------------------------------|--|-------------------------------|--|
| | | | Nominal value (₹ in Lakhs) | Notional value Foreign Currency (in Lakhs) | Nominal value (₹ in Lakhs) | Notional value Foreign Currency (in Lakhs) |
| Cross currency interest rate swap | EURO | Hedging of Foreign Currency Loans Principal & Interest | 6,416.80 | 80.00 | - | - |
| Principal only swap | EURO | Hedging of equity investment in foreign subsidiary | 9,390.00 | 120.00 | - | - |
| Total | | | 15,806.80 | 200.00 | - | - |

Exchange rates used for conversion of foreign currency exposure:

| Currency | As at March 31, 2023 | As at March 31, 2022 |
|----------|-------------------------|-------------------------|
| EURO | 89.61 | 82.13 |

(viii) The impact of the hedging instruments on the statement of financial position is as under:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------------------|-------------------------|
| Nominal Amount | 6,416.80 | - |
| Carrying Amount (net) | 7,168.61 | - |
| Line item in the statement of financial position that includes Hedging Instruments | Other current financial liabilities | - |
| Change in fair value of the hedge item used as the basis for recognising hedge ineffectiveness for the year - gain/(loss) (net of tax) | (260.25) | - |

(ix) Hedge Items

The impact of the Hedged Items on the statement of financial position is as follows:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Balance in Cash flow hedge reserve as at the end of the year for continuing hedges (net of tax) | (260.25) | - |
| Change in value of the hedged item used for measuring ineffectiveness for the year (net of tax) | (260.25) | - |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(x) Particulars of unhedged foreign currency exposure as at balance sheet date:

| Particulars | Currency | As at March 31, 2023 | | As at March 31, 2022 | |
|-----------------------------|----------|----------------------|------------|----------------------|------------|
| | | FC in Lakhs | ₹ in Lakhs | FC in Lakhs | ₹ in Lakhs |
| Trade payables | USD | (28.68) | (2,358.02) | (26.23) | (2,030.66) |
| | EURO | (0.37) | (33.08) | (0.92) | (79.48) |
| | GBP | (0.20) | (20.00) | (0.19) | (19.28) |
| | NZD | - | - | (2.41) | (127.14) |
| Creditors for Capital Goods | EURO | (0.66) | (59.44) | - | - |
| Term Loan | USD | (94.10) | (7,736.33) | (94.10) | (7,247.32) |
| Trade receivables | USD | 9.95 | 817.82 | 10.28 | 778.46 |
| | AED | 9.21 | 205.88 | - | - |
| Bank balance | AED | - | - | 590.00 | 0.11 |
| | USD | - | - | 1,833.46 | 268.87 |

NOTE 62 : INCOME TAX EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Current tax | | |
| In respect of current year | 7,875.59 | 8,331.47 |
| Tax expenses related to earlier years | (77.20) | (22.04) |
| | 7,798.39 | 8,309.43 |
| Deferred tax | | |
| Origination and reversal of temporary differences including tax impact on Other Comprehensive Income | (929.46) | (593.50) |
| | (929.46) | (593.50) |
| Total income tax expense recognised in the current year including tax impact on Other Comprehensive Income | 6,868.93 | 7,715.93 |

The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Profit before tax (Including Other comprehensive income) | 26,779.33 | 29,453.70 |
| Income tax expense calculated at 25.168% | 6,739.82 | 7,412.91 |
| Effect of income that is exempt from taxation | (31.29) | - |
| Effect of expenses that are not deductible in determining taxable profit | 407.17 | 115.15 |
| Effect of difference in tax rates | (31.80) | 197.17 |
| Others | (137.77) | 12.74 |
| | 6,946.13 | 7,737.97 |
| Adjustments recognised in the current year in relation to tax of prior years | (77.20) | (22.04) |
| Income tax expense recognised in the Statement of Profit and Loss | 6,868.93 | 7,715.93 |
| Effective Tax Rate | 25.65% | 26.20% |

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 63 : THE CODE ON SOCIAL SECURITY 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

NOTE 64 : UTILISATION OF BORROWED FUNDS

- (i) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 65 : EVENTS AFTER THE REPORTING PERIOD

There are no significant adjusting events after the reporting period.

NOTE 66 : DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

The Group has not traded or invested in Crypto currency or Virtual currency during the financial year.

NOTE 67 : UNDISCLOSED INCOME (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

The Group does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

NOTE 68 : DETAILS OF BENAMI PROPERTY HELD (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

NOTE 69 : RELATIONSHIP WITH STRUCK OFF COMPANIES UNDER SECTION 248 OF THE COMPANIES ACT, 2013 OR SECTION 560 OF COMPANIES ACT, 1956 (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 70 : RECONCILIATION OF QUARTERLY RETURNS OR STATEMENTS OF CURRENT ASSETS FILED WITH BANKS OR FINANCIAL INSTITUTIONS

As at March 31, 2023

| Quarter | Name of bank | Particulars of Securities Provided | Amount as per books of account (₹ in Lakhs) | Amount as reported in the quarterly statement (₹ in Lakhs) | Amount of difference | Reason for material discrepancies |
|---------|--|--|---|--|----------------------|-----------------------------------|
| Jun-22 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 28,747.00 | 28,747.00 | - | |
| Sep-22 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 31,359.00 | 31,359.00 | - | |
| Dec-22 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 24,490.00 | 24,490.00 | - | |
| Mar-23 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 29,274.00 | 29,274.00 | - | |

As at March 31, 2022

| Month | Name of bank | Particulars of Securities Provided | Amount as per books of account (₹ in Lakhs) | Amount as reported in the quarterly statement (₹ in Lakhs) | Amount of difference | Reason for material discrepancies |
|--------|--|--|---|--|----------------------|-----------------------------------|
| Jun-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 23,930.09 | 23,930.09 | - | |
| Sep-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 29,075.37 | 29,075.37 | - | |
| Dec-21 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 27,449.27 | 27,449.27 | - | |
| Mar-22 | CITI BANK , KOTAK MAHINDRA BANK & YES BANK | Book Debts (Net of advances from customers) & Inventories | 26,924.84 | 26,924.84 | - | |

NOTE 71 : COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Note 72

The Group did not have any material foreseeable losses on long term contracts including derivative contracts.

Note 73

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 74 : FOLLOWING ARE THE RECLASSIFICATIONS MADE IN THE PREVIOUS YEAR FIGURES TO MAKE THEM COMPARABLE/ BETTER PRESENTATION WITH THE CURRENT YEAR FIGURES:

(₹ in Lakhs)

| Particulars | March 31,2022 (Revised) | March 31,2022 (Published) | Nature |
|--------------------------------|----------------------------|------------------------------|------------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Loans | 7.59 | 8.47 | Reclassification items |
| Deferred tax asset | 783.19 | - | Reclassification items |
| Non Current Tax Assets (net) | 693.34 | 675.35 | Reclassification items |
| Other non-current assets | 2,563.97 | 799.71 | Reclassification items |
| Current Assets | | | |
| Trade Receivables | 26,939.30 | 28,504.18 | Reclassification items |
| Loans | 557.36 | 555.07 | Reclassification items |
| Other financial assets | 2,634.23 | 2,637.42 | Reclassification items |
| Other current assets | 4,021.98 | 5,938.49 | Reclassification items |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Provisions | 1,932.59 | 2,738.34 | Reclassification items |
| Deferred tax liabilities | 966.99 | 183.80 | Reclassification items |
| Current Liabilities | | | |
| Trade payables | 28,036.46 | 29,625.31 | Reclassification items |
| Other financial liabilities | 4,402.60 | 4,538.64 | Reclassification items |
| Provisions | 1,056.13 | 250.38 | Reclassification items |
| Other current liabilities | 7,703.02 | 7,679.05 | Reclassification items |
| Income | | | |
| Revenue from Operations | 2,86,557.84 | 2,98,180.84 | Reclassification items |
| Expenses | | | |
| Cost of materials consumed | 1,83,325.03 | 1,79,850.03 | Reclassification items |
| Employee benefits expense | 25,547.57 | 25,768.82 | Reclassification items |
| Other expenses | 35,585.89 | 50,462.64 | Reclassification items |

NOTE 75: SCHEME OF AMALGAMATION WITH WOS OF THE COMPANY

The Scheme of Amalgamation of the wholly owned subsidiary, i.e., International Comfort Technologies Private Limited ("ICTPL" or "Transferor Company") with Sheela Foam Limited ("SFL" or "Transferee Company") and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") is subject to necessary statutory and regulatory approvals including the approvals of National Company Law Tribunal, Bench at Delhi ("NCLT"). The same will be accounted for in the books of accounts, in accordance with appendix C to Ind AS 103 on the approval from NCLT.

As per our report of even date

For **M S K A & Associates**
Chartered Accountants
Firm Registration No.: 105047W

Nipun Gupta
Partner
Membership No.: 502896

Place: Gurugram
Date: May 17, 2023

For and on behalf of the Board of Directors of

Sheela Foam Limited
CIN: L74899DL1971PLC005679

Rahul Gautam
Managing Director
DIN:00192999

Place: Noida
Date: May 17, 2023

Tushaar Gautam
Whole Time Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Md. Iquebal Ahmad
Company Secretary
Membership No.: A20921



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INDEPENDENT AUDITOR'S REPORT

To the Members of Kurlon Enterprise Limited

Report on the Audit of the Standalone Financial Statements**Opinion**

We have audited the accompanying standalone financial statements of Kurlon Enterprise Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive income/(loss), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss including other comprehensive income/(loss), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income/(loss), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books except that the Company does not have server physically located in India for the daily backup of the books of account and other books and papers maintained in electronic mode.
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income/(loss), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;



- (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 39 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 46 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 46 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.



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- v. As disclosed in note 15(g) to the standalone financial statements, the final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.


As stated in note 15(g) to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For S.R.Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004


per **Rajeev Kumar**

Partner

Membership Number: 213803

UDIN: 23213803BGXAML4710

Place of Signature: Bangalore

Date: August 29, 2023



Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date on the Standalone Financial Statements of Kurlon Enterprise Limited

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification to cover all the items in a phased manner over period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties of Free hold land included in property, plant and equipment are held in the name of the Company and in respect of immovable properties of land and buildings that have taken on lease and disclosed as Right-of-use assets in the standalone financial statements, the lease agreements are in the name of the Company.
- (d) The Company has not revalued its property, plant and equipment or intangible assets (including Right-of - use assets) during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder as disclosed in Note 46 to the standalone financial statements.
- (ii)(a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory have not been noted during the physical verification by the management. There are no inventories lying with third parties.
- (b) As disclosed in Note 21 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks in respect of gross value of collateral security (excluding the impact of period end cut off adjustments) are in agreement with the books of accounts of the Company.



- (iii)(a) During the year, the Company has provided loans, advances in the nature of loans to companies and other parties as follows:

| Particulars | Loans (Rs. in Lakhs) | Advances in the nature of Loans (Rs. in Lakhs) |
|---|----------------------|--|
| Aggregate amount granted/provided during the year | | |
| - Subsidiaries | 883.12 | - |
| - Others | - | 63.83 |
| Balance outstanding(principal) as at March 31, 2023 | | |
| - Subsidiaries * | 215.89 | - |
| - Others | 10.00 | 54.24 |

* The aforesaid Balance outstanding as at balance sheet date in respect of subsidiaries is net of provision made for doubtful recovery of loans given to subsidiaries amounting to Rs 2,973.75 lakhs. Also, refer note 8 and 9 in the standalone financial statements.

The Company has not provided Guarantees or securities to companies, firms, Limited Liability Partnerships or any other parties.

- (b) During the year, the terms and conditions of the grant of loans to subsidiaries and advances in nature of loans given to other parties (i.e., employees) are not prejudicial to the Company's interest. Other than above, the Company has not made investments, not provided Guarantees or not provided securities to companies, firms, Limited Liability Partnerships or any other parties. Also refer note 8 and 9 in the standalone financial statements as regards to interest rate, accrual of interest and terms of repayment.
- (c) The Company has granted loans and advances in the nature of loans during the year to companies or any other parties where the schedule of repayment of principal and payment of interest has been stipulated. Loans provided to subsidiaries are repayable on demand along with interest and the Company has not demanded the same during the year. Also, refer note 8 and 9 in the standalone financial statements.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies or other parties which are overdue for more than ninety days. Also, refer note 8 and 9 in the standalone financial statements.
- (e) There were no loans granted to subsidiary companies which had fallen due during the year. There were no loans or advance in the nature of loans granted to companies (other than subsidiaries) or other parties which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties. Also, refer note 8 and 9 in the standalone financial statements.



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- (f) As disclosed in note 8 in the standalone financial statements, the Company has granted loans which are repayable on demand to subsidiary companies. Following are the details of the aggregate amount of loans granted to related parties as defined in clause (76) of section 2 of the Companies Act, 2013:

| | Related Parties (Amount Rs' lakhs) |
|--|---------------------------------------|
| Aggregate amount of loans/ advances in nature of loans - Repayable on demand (Gross amount) | 3,189.64 |
| Percentage of loans/ advances in nature of loans to the total loans | 99.70% |

Except for the above, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies or any other parties. Also, refer note 8 and 9 in the standalone financial statements.

- (iv) The provisions of section 185 and 186 of the Act in respect of loans and investments have been complied with by the Company. There are no guarantees and security in respect of which provisions of sections 186 of the Act are applicable. Also, refer note 8 and 9 in the standalone financial statements.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of mattresses and other products and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii)(a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



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- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

| Name of the Statute | Nature of Dues | Amount Disputed (Rs. in Lakhs) * | Period to which the amount relates to | Forum where Dispute is Pending |
|--|--|----------------------------------|---------------------------------------|---|
| The Central Excise Act, 1944 | Excise Duty | 1,440.18 | 2011-14 | Central Excise and Service Tax Appellate Tribunal |
| The Income Tax act, 1961 | Income tax | 1,072.45 | 2017-18 | Commissioner Of Income Tax (Appeals) |
| Goods and Services Tax Act, 2018 | Goods and Services Tax | 546.15 | 2017-18 | Office of Deputy Commissioners of State Tax Jurisdiction, Mumbai, Gujarat, Uttarakhand and Pune |
| | | 5.37 | 2018-19 | |
| | | - | 2020-21 | |
| | | 0.40 | 2022-23 | |
| Value Added Tax, Sales Tax and Entry Tax | Value Added Tax, Sales Tax and Entry Tax | 24.97 | 2014-15 | The Joint Commissioner - Commercial Taxes |
| | | 3379.28 | 2014-15 | |
| | | 252.42 | 2015-16 | |
| | | 382.14 | 2016-17 | |
| | | 101.30 | 2017-18 | |

* net of Rs 238.73 lakhs paid under protest.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year as disclosed in Note 46 to the standalone financial statements. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix)(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.



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- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associate or joint venture.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries companies. The company does not have any associate or joint venture.
- (x)(a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)(a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor, secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii)(a) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- (c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.



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- (xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in Note 45 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx)(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note 40 to the standalone financial statements.



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- (b) There are no ongoing projects and hence the requirement to report on clause (xx)(b) of the Order is not applicable to the Company. This matter has been disclosed in note 40 to the standalone financial statements.

For S.R.Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Rajeev Kumar

Partner

Membership Number: 213803

UDIN: 23213803BGXAML4710

Place of Signature: Bangalore

Date: August 29, 2023



ANNEXURE '2' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KURLON ENTERPRISE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Kurlon Enterprise Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.



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Chartered Accountants

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R.Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Rajeev Kumar

Partner

Membership Number: 213803

UDIN: 23213803BGXAML4710

Place of Signature: Bangalore

Date: August 29, 2023



Kurlon Enterprise Limited
 Standalone Balance Sheet as at March 31, 2023
 All amounts in Rs. Lakhs, unless otherwise stated

| | Notes | March 31, 2023 | March 31, 2022 |
|--|-------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 4 | 18,585.69 | 20,706.94 |
| Capital work-in-progress | 4 | 98.26 | 198.26 |
| Goodwill | 5 | 2,103.16 | 2,103.16 |
| Other intangible assets | 5 | 129.77 | 263.75 |
| Right of use assets | 6 | 2,362.69 | 2,051.16 |
| Financial assets | | | |
| Investments | 7 | 1,785.57 | 1,785.57 |
| Loans | 8 | 215.89 | 2,614.36 |
| Other financial assets | 9 | 2,590.03 | 665.71 |
| Income tax assets (net) | 10 | 1,496.05 | 1,445.98 |
| Other non-current assets | 11 | 1,510.85 | 2,149.04 |
| | | <u>30,877.96</u> | <u>34,183.93</u> |
| Current assets | | | |
| Inventories | 12 | 7,890.94 | 11,540.36 |
| Financial assets | | | |
| Investments | 7 | 1,602.30 | 10,710.91 |
| Trade receivables | 13 | 5,868.23 | 5,446.95 |
| Cash and cash equivalents | 14 | 214.01 | 147.50 |
| Other bank balances | 14 | 149.31 | 4,247.50 |
| Loans | 8 | 10.00 | 56.74 |
| Other financial assets | 9 | 15,568.74 | 158.79 |
| Other current assets | 11 | 10,180.13 | 6,056.71 |
| | | <u>41,483.66</u> | <u>38,365.46</u> |
| Total | | <u>72,361.62</u> | <u>72,549.39</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 15 | 1,827.62 | 1,827.62 |
| Other equity | 16 | 45,982.34 | 47,514.47 |
| | | <u>47,809.96</u> | <u>49,342.09</u> |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Lease liabilities | 17 | 921.21 | 547.88 |
| Other financial liabilities | 18 | 5,781.90 | 5,361.77 |
| Provisions | 19 | 377.03 | 500.79 |
| Deferred tax liabilities (net) | 20 | 638.84 | 1,698.54 |
| | | <u>7,718.98</u> | <u>8,108.98</u> |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 21 | 1,660.91 | 687.56 |
| Lease liabilities | 17 | 413.24 | 454.78 |
| Trade payables | 22 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 313.09 | 355.45 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 11,714.21 | 11,314.77 |
| Other financial liabilities | 18 | 917.38 | 1,085.21 |
| Provisions | 19 | 632.68 | 531.21 |
| Other current liabilities | 23 | 668.18 | 669.34 |
| Liabilities for current tax (net) | 24 | 512.99 | |
| | | <u>16,832.68</u> | <u>15,098.32</u> |
| Total | | <u>72,361.62</u> | <u>72,549.39</u> |
| Summary of significant accounting policies | 3 | | |

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm Registration Number: 101049W/E300004

Rajeev Kumar
 Partner
 Membership No. 213803



For and on behalf of Board of Directors of
 Kurlon Enterprise Limited
 CIN: U36101MH2011PLC222657

Tonise Sushakar Pai
 Managing Director
 DIN: 00043298

Place: San Diego, USA
 Date: August 29, 2023

Jyothi Ashish Pradhan
 Chief Executive Officer

Place: Bengaluru
 Date: August 29, 2023

R N Shrinivas
 Director
 DIN: 07178853

Monu Kumar
 Company Secretary

Place: Bengaluru
 Date: August 29, 2023

Place: Bengaluru
 Date: August 29, 2023

Abhilash Padmanabh Kamli
 Chief Financial Officer

Place: Bengaluru
 Date: August 29, 2023



Place: Bengaluru
 Date: August 29, 2023

Kurlon Enterprise Limited
 Standalone Statement of Profit and Loss for the year ended March 31, 2023
 All amounts in Rs. Lakhs, unless otherwise stated

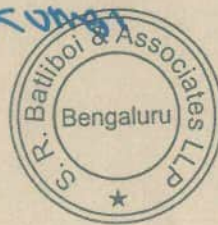
| | Notes | March 31, 2023 | March 31, 2022 |
|---|-------|-------------------|------------------|
| Income | | | |
| Revenue from operations | 25 | 84,287.22 | 77,225.58 |
| Other income | 26 | 665.67 | 966.79 |
| Total income | | 84,952.89 | 78,192.37 |
| Expenses | | | |
| Cost of raw material consumed | 27 | 37,930.92 | 36,337.47 |
| Purchase of traded goods | 28 | 9,079.51 | 8,749.41 |
| Changes in inventories of finished goods, work-in-progress and traded goods | 29 | 1,311.94 | 341.82 |
| Employee benefit expense | 30 | 5,260.55 | 5,144.30 |
| Finance costs | 31 | 376.40 | 286.96 |
| Depreciation and amortisation expense | 32 | 2,532.52 | 2,511.98 |
| Other expenses | 33 | 27,680.34 | 24,383.71 |
| Total expenses | | 84,172.18 | 77,755.65 |
| Profit before exceptional items and tax | | 780.71 | 436.72 |
| Exceptional items | 33(A) | 2,555.67 | 418.08 |
| Profit/(Loss) before tax | | (1,774.96) | 18.64 |
| Tax expense | 44 | | |
| Current tax | | 647.68 | 475.96 |
| Tax relating to earlier years | | (45.49) | (130.20) |
| Deferred tax (credit)/charge | | (1,059.70) | (685.08) |
| Total tax expense | | (457.51) | (339.32) |
| Profit/(Loss) for the year | | (1,317.45) | 357.96 |
| Other comprehensive income/(loss), net of tax | | | |
| Items that will not be reclassified subsequently to profit or loss in subsequent period | | | |
| Re-measurement gain/(loss) on defined benefit plan | | (42.05) | (149.68) |
| Income tax effect | | 10.58 | 37.68 |
| Total other comprehensive income/(loss) for the year | | (31.47) | (112.00) |
| Total comprehensive income/(loss) for the year | | (1,348.92) | 245.96 |
| Earnings per equity share (EPS): | | | |
| Basic and Diluted [Nominal value of shares Rs. 5 (March 31, 2022 : Rs. 5)] | 34 | (3.60) | 0.98 |
| Summary of significant accounting policies | 3 | | |

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm Registration Number: 101049W/E300004

per Rajeev Kumar
 Partner
 Membership No.: 213803



For and on behalf of Board of Directors of
 Kurlon Enterprise Limited
 CIN: U36101MH2011PLC222657

Tonse Sudhakar Pai
 Managing Director
 DIN : 00043298

Place: San Diego, USA
 Date: August 29, 2023

Jyothi Ashish Pradhan
 Chief Executive Officer

Place: Bengaluru
 Date: August 29, 2023

H N Shrinivas
 Director
 DIN : 07178853

Place: Bengaluru
 Date: August 29, 2023

Abhilash Padmanabh Kamti
 Chief Financial Officer

Place: Bengaluru
 Date: August 29, 2023

Monu Kumar
 Company Secretary

Place: Bengaluru
 Date: August 29, 2023



Place: Bengaluru
 Date: August 29, 2023

Kurlon Enterprise Limited
 Standalone Cash Flow Statement for the year ended March 31, 2023
 All amounts in Rs. Lakhs, unless otherwise stated

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| A. Cash flow from operating activities | | |
| Profit before exceptional items and tax | 780.71 | 436.72 |
| Non cash adjustment to reconcile profit before tax to net cash flows | | |
| Depreciation and amortisation expense | 2,532.52 | 2,511.98 |
| Loss on sale of property, plant and equipment | 291.72 | 152.21 |
| Advance to suppliers written off | 0.10 | |
| Bad debts written off | 123.08 | 130.90 |
| Gain on modification of lease | (11.18) | (0.92) |
| Provision for bad and doubtful debts | 73.78 | 594.68 |
| Provision for doubtful advances | | 24.92 |
| Provision for warranty | 363.07 | 328.80 |
| Fair value gain on mutual fund at fair value through profit or loss | 511.28 | (125.48) |
| Gain on sale of investments in mutual funds | (491.04) | (355.41) |
| Liabilities no longer required written back | (16.82) | (40.48) |
| Interest expenses | 190.00 | 169.30 |
| Interest income | (105.10) | (263.60) |
| Operating cash flow before working capital changes | 4,242.12 | 3,563.62 |
| Movements in working capital : | | |
| Increase/(decrease) in trade payables | 373.80 | 3,114.04 |
| Increase/(decrease) in other financial liabilities | 252.30 | 198.72 |
| Increase/(decrease) in other liabilities | (147.25) | (45.28) |
| Increase/(decrease) in provisions | (416.83) | (262.54) |
| Decrease/(increase) in inventories | 3,649.42 | (435.28) |
| Decrease/(increase) in trade receivables | (495.37) | (568.29) |
| Decrease/(increase) in loans | (110.46) | (712.50) |
| Decrease/(increase) in other financial assets | (17,334.27) | 142.12 |
| Decrease/(increase) in other assets | (2,847.04) | 360.89 |
| Cash (used in) generated from operations | (12,833.58) | 5,355.50 |
| Direct taxes paid (net of refunds) | (139.27) | (1,110.38) |
| Net cash flow (used in) from operating activities (A) | (12,972.85) | 4,245.12 |
| B. Cash flows from investing activities | | |
| Purchase of property, plant and equipment, including capital work in progress and capital advances | (1,513.03) | (2,195.69) |
| Investment in bank deposits | | (3,790.00) |
| Redemption in bank deposits | 4,090.65 | 3,563.05 |
| Purchase of investments | (7,803.66) | (8,999.58) |
| Sale of investments | 16,892.03 | 9,901.28 |
| Proceeds from sale of property, plant and equipment | 1,188.02 | 17.91 |
| Movement in earmarked balances, net | 7.54 | (1.60) |
| Interest received | 105.10 | 236.53 |
| Net cash flow from (used in) investing activities (B) | 12,966.65 | (1,268.10) |
| C. Cash flows from financing activities | | |
| Net (repayment of)/proceeds from short-term borrowings | 973.35 | (499.68) |
| Payment of principal portion of lease liabilities | (527.43) | (395.35) |
| Interest paid | (190.00) | (146.71) |
| Dividend paid | (183.21) | (1,827.61) |
| Net cash flow (used in) financing activities (C) | 72.71 | (2,869.35) |
| Net increase/(decrease) in cash and cash equivalents (A + B + C) | 66.51 | 107.67 |
| Cash and cash equivalents at the beginning of the year | 147.50 | 39.83 |
| Cash and cash equivalents at the end of the year | 214.01 | 147.50 |



Kurlon Enterprise Limited
 Standalone Cash Flow Statement for the year ended March 31, 2023
 All amounts in Rs. Lakhs, unless otherwise stated

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Components of cash and cash equivalents as at end of the year | | |
| Cash in hand | 4.53 | 3.13 |
| Balances with banks | | |
| In current accounts | 209.48 | 144.37 |
| Total cash and cash equivalents (Refer Note 14) | <u>214.01</u> | <u>147.50</u> |
| Non-cash investing and financing activities | | |
| Acquisitions to right-of-use assets (Refer Note 6) | 2,596.17 | 1,005.00 |

Refer Note 21 for change in liabilities arising from financing activities

Summary of significant accounting policies

3

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm Registration Number 101049W/E/300004

Rajeev Kumar
 per Rajeev Kumar
 Partner
 Membership No. 213803



For and on behalf of Board of Directors of
 Kurlon Enterprise Limited
 CIN: U36101MH2011PLC222657

dk
 Tomse Santhakur Pal
 Managing Director
 DIN: 00043298

Place: San Diego, USA
 Date: August 29, 2023

H N Shrivastava
 H N Shrivastava
 Director
 DIN: 07178853

Place: Bengaluru
 Date: August 29, 2023

Mohan Kumar
 Mohan Kumar
 Company Secretary

Place: Bengaluru
 Date: August 29, 2023

Jyoti Pradhan
 Jyoti Ashish Pradhan
 Chief Executive Officer

Place: Bengaluru
 Date: August 29, 2023

Abhilash Padmanabh Kamti
 Abhilash Padmanabh Kamti
 Chief Financial Officer

Place: Bengaluru
 Date: August 29, 2023



Place: Bengaluru
 Date: August 29, 2023

Kurion Enterprise Limited
Statement of Changes in Equity for year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

(a) Equity share capital
Equity share of Rs. 5 each (March 31, 2022 Rs. 5)
issued, subscribed and fully paid

| | March 31, 2023 | | March 31, 2022 | |
|------------------------------|----------------|----------|----------------|----------|
| | Nos. | Amount | Nos. | Amount |
| At the beginning of the year | 36,552,261 | 1,827.62 | 36,552,261 | 1,827.62 |
| Changes during the year | | | | |
| At the end of the year | 36,552,261 | 1,827.62 | 36,552,261 | 1,827.62 |

(b) Other equity

| | Securities premium | General reserve | Retained earnings | Total |
|-----------------------------------|--------------------|-----------------|-------------------|------------|
| Balance as at April 01, 2021 | 14,860.49 | 1,286.11 | 32,949.52 | 49,096.12 |
| Profit for the year | | | 357.96 | 357.96 |
| Other comprehensive income/(loss) | | | (112.00) | (112.00) |
| Dividend paid | | | (1,827.61) | (1,827.61) |
| Balance as at March 31, 2022 | 14,860.49 | 1,286.11 | 31,367.87 | 47,514.47 |
| Profit for the year | | | (1,317.45) | (1,317.45) |
| Other comprehensive income/(loss) | | | (31.47) | (31.47) |
| Dividend paid | | | (183.21) | (183.21) |
| Balance as at March 31, 2023 | 14,860.49 | 1,286.11 | 29,835.74 | 45,982.34 |

Securities premium - This reserve is used to record premium on issue of shares and can be utilized only for limited purposes in accordance with the provisions of the Companies Act, 2013.

General reserve - Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilized only in accordance with the specific requirements of Companies Act, 2013.

Retained earnings - Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E/300004

per Rajeev Kumar
Partner
Membership No. 213803



For and on behalf of Board of Directors of
Kurion Enterprise Limited
CIN: U36101MH2011PLC222657

Tomse Sudhekar Pal
Managing Director
DIN: 00043298

Place: San Diego, USA
Date: August 29, 2023

Jyothi Ashish Pradhan
Chief Executive Officer

Place: Bengaluru
Date: August 29, 2023

Abhilash Padmanabh Kamti
Director
DIN: 07178853

Place: Bengaluru
Date: August 29, 2023

Abhilash Padmanabh Kamti
Chief Financial Officer

Place: Bengaluru
Date: August 29, 2023

Mohit Kumar
Company Secretary

Place: Bengaluru
Date: August 29, 2023



Place: Bengaluru
Date: August 29, 2023

Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2023

All amounts in Rs. Lakhs, unless otherwise stated

1. Corporate information

Kurlon Enterprise Limited (the 'Company') was incorporated in Mumbai, India on October 03, 2011, as a public limited company under the Companies Act. The Company is a subsidiary of Kurlon Limited and is engaged in the business of manufacturing/trading in diverse areas such as rubberized coir, latex foam, polyurethane foam, bonded foam, pillows, spring mattresses, furniture, furnishings, sofas etc.

The Company's standalone financial statements for the year ended March 31, 2023, were approved by Board of Directors on August 29, 2023.

1.1 Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable.

This note provides a list of the significant accounting policies adopted in the preparation of the standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

The standalone financial statements have been prepared on an accrual basis under the historical cost convention except for the following that are measured at fair value as required by relevant Ind AS:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

These standalone financial statements are presented in Indian Rupee, which is also functional currency of the Company. All the values are rounded off to the nearest lakhs, unless otherwise indicated.

The Company has prepared the standalone financial statements on the basis that it will continue to operate as a going concern.

(a) Measurement of fair values

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable



-Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(c) Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and liabilities at the date of the standalone financial statements and reported amounts of income and expenses during the period. Actual results may differ from these estimates.

Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding estimate. Changes in estimate are reflected in the standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

Judgements:

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 3.1 and Note 3.2 - Useful life of property, plant and equipment and intangible assets;
- Note 3.8 - Measurement of defined benefit obligations: key actuarial assumptions.
- Note 3.9 - Provision for income tax and valuation of deferred tax assets/liabilities.
- Note 3.14 - Valuation of financial instrument; and
- Note 3.15 - Lease classification and determination of lease term;



Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

Assumption and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Note 2(a) - Fair value measurement
- Note 3.3 - Impairment of financial assets
- Note 3.3 - Impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;
- Note 3.9 - Recognition of deferred tax assets: based upon likely timing and the level of future taxable profits together with future tax planning strategies;
- Note 3.11 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

2. Summary of significant accounting policies

3.1. Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at historical cost less accumulated depreciation, and accumulated impairment loss, if any. Historical cost comprises of the purchase price including duties and non-refundable taxes, borrowing cost if capitalisation criteria's are met, directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management and initial estimate of decommissioning, restoring and similar liabilities.

Capital work in progress is stated at cost, net of accumulated impairment loss if any.

Subsequent costs related to an item of property, plant and equipment are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are recognised in statement of profit and loss during the reporting period when they are incurred.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Depreciation is calculated using the straight-line method over their estimated useful lives as follows:

| Asset description | Useful life in years as per Schedule II | Useful life as per Company |
|------------------------|---|----------------------------|
| Buildings | 30 | 30 |
| Plant and equipment | 15 | 10 and 15 |
| Furniture and fixtures | 10 | 10 |
| Office equipment | 5 | 5 |
| Vehicles | 8 | 8 |
| Computers | 3 and 6 | 3 and 6 |

The useful lives have been determined based on managements' internal technical assessment, which in certain instances are different from those specified by Schedule II to the Act, in order to reflect the actual usage of the assets.

The assets residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.



3.2. Goodwill and other intangible assets

Recognition and measurement

Goodwill

Goodwill being the excess of the aggregate consideration transferred over the net identifiable assets acquired and liabilities assumed, is stated at cost, less impairment, if any. Any goodwill that arises from business combination is tested for impairment annually.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

An item of intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

| Asset description | Useful life in years |
|-------------------|----------------------|
| Computer software | 6 |

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of the each financial year and the amortisation period is revised to reflect the changed pattern, if any.

3.3. Impairment

Impairment of financial assets

In accordance with Ind AS - 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS - 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

Trade receivables or contract revenue receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.



Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2023

All amounts in Rs. Lakhs, unless otherwise stated

Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's cash generating unit's (CGU's) to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to other comprehensive income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or cash generating unit's (CGU's) recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.4. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.5. Foreign currency transactions

i) Functional and presentation currency:

Items included in the standalone financial statements of the company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The standalone financial statements are presented in Indian rupee (INR), which is functional and presentation currency of the Company.

ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit and loss.



3.6. Revenue recognition

Revenue from contracts with customer is recognised upon transfer of control of promised goods/services to customers at an amount that reflects the consideration to which the Company expect to be entitled for those goods/services.

To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenues when a performance obligation is satisfied.

Revenue is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts and volume rebates, taking into account contractually defined terms of payment excluding taxes or duties collected on behalf of the government.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Others

- The Company accounts for variable consideration like volume discounts, rebates, returns and pricing incentives to customers as reduction of revenue on a systematic and rationale basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled.

- Revenues are shown net of allowances /returns, goods and service tax and applicable discounts and allowances.

- The Company typically provides warranties for general repairs of defects that existed at the time of sale. These assurance- type warranties are accounted under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Trade receivable

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included under the head 'other income' in the statement of profit and loss.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

Dividend income

Dividend income on investments is accounted when the right to receive the dividend is established, which is generally when shareholders approve the dividend. Dividend income is included under the head "Other income" in the statement of profit and loss account.



3.7. Interest expense

Interest expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the amortised cost of the financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

3.8. Employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current financial liabilities in the balance sheet.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The liabilities for leave balance are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The company operates the following post-employment schemes:

- (a) defined benefit plans - gratuity, and
- (b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have term approximating the term of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Such accumulated re-measurement balances are never reclassified into the statement of profit and loss subsequently.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Defined contribution plan

Retirement benefit in the form of provident fund scheme, ESI, Superannuation, are the defined contribution plans. The Company has no obligation, other than the contribution payable. The Company recognizes contribution payable to these schemes as an expenditure, when an employee renders the related service.



3.9. Income taxes

Income tax comprises of current tax and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to an item recognised directly in the other comprehensive income.

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts, and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.



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Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in statement of profit and loss.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.10. Earnings/(loss) per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period (including treasury share).

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into.

3.11. Provision and contingent liabilities

Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for warranty-related cost are recognized when the product is sold to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses it in the standalone financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

3.12. Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statement comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.



For the purpose of the Standalone Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.13. Cash flow statement

Cash flows are reported using the indirect method, whereby net (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.14. Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at either at amortised cost, FVTPL or fair value in other comprehensive income (FVOCI). Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of the investments.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at investment level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for each of such investments and the operation of those policies in practice.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.



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Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

Financial assets at FVTOCI

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of the investments.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities



The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.15. Leases

The Company has lease contracts for various buildings used in its operations. Lease terms generally ranges between 3 and 9 years.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.3 for policy on impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.



Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Extension and termination option

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Management have not considered any future cash outflow for which they are potentially exposed arising due to extension and termination options.

The Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating lease is recognized on a straight-line basis over the term of the relevant lease.

3.16. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.17. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Company has identified one reportable segment based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete financial information is available. The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The Company has only one reportable business segment, which is manufacture, purchase and sale of coir, foam and related products which constitutes a single business segment. Accordingly, the amounts appearing in the standalone financial statements relate to the company's single business segment.

3.18. Use of judgements, estimates and assumptions

The preparation of the standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. The areas involving significant estimates or critical judgements are:



(i) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The mortality rate is based on publicly available mortality table in India. The mortality tables tend to change only at interval in response to demographic changes. Further salary increases and gratuity increases are based on expected future inflation rates. Further details about the gratuity obligations are given in Note 41.

(ii) Impairment of financial and non-financial assets:

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. In case of non-financial assets company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

3.19. Insurance claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is certain to expect ultimate collection.

3.20. Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

i) Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.



ii) Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

iii) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

3.21. Changes in accounting policies and disclosures – New and amended standards

The Company applied for the first time the following standards and amendments, which are effective for annual periods beginning on or after April 1, 2022, as per the Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 notified by the Ministry of Corporate Affairs:

(a) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of other costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

(b) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI’s “Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards” with the reference to the “Conceptual Framework for Financial Reporting under Indian Accounting Standard” without significantly changing its requirements. The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. It has been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

(c) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

(d) Ind AS 109 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

The aforesaid standards and amendments did not have any material impact on the standalone financial statements of the Company.



3.22. Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023, to amend the following Ind AS which are effective from April 1, 2023:

(a) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

(b) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. Consequential amendments have been made in Ind AS 107.

(c) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101.

The aforesaid amendments are not expected to have any material impact on the Company's standalone financial statements.

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Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

4. Property, plant and equipment and Capital working in progress

| | Freehold Land | Buildings | Plant & Equipment | Furniture & Fixtures | Office Equipment | Computers | Vehicles | Total | Capital Work in Progress |
|---------------------|---------------|-----------|-------------------|----------------------|------------------|-----------|----------|------------|--------------------------|
| Cost | | | | | | | | | |
| At April 01, 2021 | 991.42 | 8,453.90 | 19,926.40 | 2,833.78 | 613.70 | 535.22 | 350.32 | 33,704.74 | 701.18 |
| Additions | - | 1,071.33 | 668.41 | 403.53 | 169.42 | 121.03 | 65.31 | 2,499.03 | 339.36 |
| Disposals | - | (63.25) | (36.35) | (225.50) | - | - | (24.25) | (349.35) | (642.28) |
| Adjustments* | - | - | 126.92 | 19.70 | 16.03 | 22.99 | 49.52 | 235.16 | - |
| At March 31, 2022 | 991.42 | 9,461.98 | 20,685.38 | 3,031.51 | 799.15 | 679.24 | 440.90 | 36,089.58 | 398.26 |
| Additions | - | 389.16 | 508.07 | 265.66 | 66.43 | 43.04 | 48.57 | 1,320.93 | 342.28 |
| Disposals** | - | (981.95) | (1,036.20) | (310.18) | (9.53) | (4.56) | (46.14) | (2,388.56) | (642.28) |
| At March 31, 2023 | 991.42 | 8,869.19 | 20,157.25 | 2,986.99 | 856.05 | 717.72 | 443.33 | 35,021.95 | 98.26 |
| Depreciation | | | | | | | | | |
| At April 01, 2021 | - | 1,012.74 | 9,922.31 | 1,392.91 | 435.64 | 450.87 | 80.56 | 13,295.03 | - |
| Charge for the year | - | 280.04 | 1,363.36 | 218.13 | 71.64 | 53.88 | 44.67 | 2,031.72 | - |
| Disposals | - | (17.15) | (20.36) | (136.25) | - | - | (5.51) | (179.27) | - |
| Adjustments* | - | - | 51.20 | 90.06 | 21.43 | 22.96 | 49.51 | 235.16 | - |
| At March 31, 2022 | - | 1,275.63 | 11,316.51 | 1,564.85 | 528.71 | 527.71 | 169.23 | 15,382.64 | - |
| Charge for the year | - | 282.87 | 1,283.65 | 211.03 | 74.55 | 63.80 | 46.54 | 1,962.44 | - |
| Disposals** | - | (230.60) | (479.70) | (169.20) | (8.30) | (4.30) | (16.72) | (908.82) | - |
| At March 31, 2023 | - | 1,327.90 | 12,120.46 | 1,606.68 | 594.96 | 587.21 | 199.05 | 16,436.26 | - |
| Net block | | | | | | | | | |
| At March 31, 2022 | 991.42 | 8,186.35 | 9,368.87 | 1,466.66 | 270.44 | 151.53 | 271.67 | 20,706.94 | 398.26 |
| At March 31, 2023 | 991.42 | 7,541.29 | 8,036.79 | 1,380.31 | 261.09 | 130.51 | 244.28 | 18,585.69 | 98.26 |

* Represents reclass adjustments between gross block and accumulated depreciation.

** Includes, deletion of assets on account of fire accident occurred at one of the Company's factory located at Jhagadia which were damaged/burnt in such fire accident, as below:

| Asset block | Gross block | Accumulated depreciation | Net block |
|----------------------|-----------------|--------------------------|-----------------|
| Buildings | 981.95 | 230.60 | 751.35 |
| Plant & Equipment | 1,018.10 | 470.87 | 547.23 |
| Furniture & Fixtures | 73.23 | 64.05 | 9.18 |
| Office Equipment | 4.68 | 4.22 | 0.46 |
| Computers | 4.43 | 4.21 | 0.22 |
| Total | 2,082.39 | 773.95 | 1,308.44 |

Capital work-in-progress (CWIP) ageing schedule

| | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|--------------|--------------|-------------------|---------------|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| As at March 31, 2023 | | | | | |
| Projects in progress | 20.86 | 29.25 | 37.31 | 10.84 | 98.26 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 20.86 | 29.25 | 37.31 | 10.84 | 98.26 |
| As at March 31, 2022 | | | | | |
| Projects in progress | 339.36 | 37.31 | 2.08 | 19.51 | 398.26 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 339.36 | 37.31 | 2.08 | 19.51 | 398.26 |

The Company does not have any projects under capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

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Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

5. Intangible assets

| | Goodwill* | Computer Software | Total |
|---------------------|-----------|-------------------|----------|
| Cost | | | |
| At April 01, 2021 | 2,103.16 | 1,074.70 | 3,177.86 |
| Additions | - | 2.90 | 2.90 |
| Disposals | - | - | - |
| At March 31, 2022 | 2,103.16 | 1,077.60 | 3,180.76 |
| Additions | - | - | - |
| Disposals | - | - | - |
| At March 31, 2023 | 2,103.16 | 1,077.60 | 3,180.76 |
| Amortisation | | | |
| At April 01, 2021 | - | 676.89 | 676.89 |
| Charge for the year | - | 136.96 | 136.96 |
| Disposals | - | - | - |
| At March 31, 2022 | - | 813.85 | 813.85 |
| Charge for the year | - | 133.98 | 133.98 |
| Disposals | - | - | - |
| At March 31, 2023 | - | 947.83 | 947.83 |
| Net block | | | |
| At March 31, 2022 | 2,103.16 | 263.75 | 2,366.91 |
| At March 31, 2023 | 2,103.16 | 129.77 | 2,232.93 |

*Goodwill of Rs. 2,103.16 lakhs was recognised upon amalgamation of Spring Air Bedding Company India Limited ("SABCIL") with the Company pursuant to the scheme of amalgamation approved by National Company Law Tribunal ("NCLT"), Mumbai and NCLT, Delhi vide their orders dated March 12, 2020 and May 05, 2020 respectively with an appointed date of April 01, 2018 ("Effective Date").

In view of the synergies, the Company including SABCIL has been considered as a single cash generating unit. The Company tests whether goodwill has suffered any impairment on an annual basis. There is no impairment as per the assessment performed by the management at the year end. Management has performed sensitivity analysis around the basic assumption and have concluded that no reasonable/possible change in key assumptions would cause the recoverable amount lower than the carrying amount of goodwill. In estimating the value in use, the management of Holding Company considered terminal growth rate of 5% and discount rate of 10.19% as assumptions.

6. Right to use assets

| | Leasehold Land | Buildings | Total |
|---------------------|----------------|-----------|----------|
| Cost | | | |
| At April 01, 2021 | 1,145.27 | 1,155.50 | 2,300.77 |
| Additions | - | 1,005.00 | 1,005.00 |
| Disposals | - | (625.22) | (625.22) |
| Adjustments* | - | (84.38) | (84.38) |
| At March 31, 2022 | 1,145.27 | 1,450.90 | 2,596.17 |
| Additions | - | 1,022.99 | 1,022.99 |
| Disposals | - | (391.56) | (391.56) |
| At March 31, 2023 | 1,145.27 | 2,082.33 | 3,227.60 |
| Depreciation | | | |
| At April 01, 2021 | 38.90 | 732.64 | 771.54 |
| Charge for the year | 19.45 | 454.66 | 474.11 |
| Disposals | - | (616.24) | (616.24) |
| Adjustments* | - | (84.38) | (84.38) |
| At March 31, 2022 | 58.35 | 486.68 | 545.03 |
| Charge for the year | 19.45 | 539.42 | 558.87 |
| Disposals | - | (238.99) | (238.99) |
| At March 31, 2023 | 77.80 | 787.11 | 864.91 |
| Net block | | | |
| At March 31, 2022 | 1,086.92 | 964.22 | 2,051.14 |
| At March 31, 2023 | 1,067.47 | 1,295.22 | 2,362.69 |

* Represents reclass adjustments between gross block and accumulated depreciation.



Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

7. Investment

| | March 31, 2023 | | March 31, 2022 | |
|---|-------------------|-----------------|-------------------|------------------|
| | Nos. | Amount | Nos. | Amount |
| Measured at cost | | | | |
| Non-current investments, unquoted | | | | |
| Investments in equity instruments of subsidiary (all fully paid) | | | | |
| Kurlon Retail Limited (Formerly known as Kurlon Retail Private Limited) (Shares of Rs. 5/- each fully paid up) (refer Note 7(i) below) | 15,265,466 | 1,760.00 | 15,265,466 | 1,760.00 |
| Sirar Solar Energies Private Limited (Shares of Rs. 100/- each fully paid up) | 4,690 | 4.69 | 4,690 | 4.69 |
| Sevalal Solar Private Limited (Shares of Rs. 100/- each fully paid up) | 4,690 | 4.69 | 4,690 | 4.69 |
| Sirar Dhotre Solar Private Limited (Shares of Rs. 100/- each fully paid up) | 4,690 | 4.69 | 4,690 | 4.69 |
| Belvedere International Limited (Shares of Rs. 10/- each fully paid) | 50,000 | 5.00 | 50,000 | 5.00 |
| Komfort Universe Products and Services Limited (Shares of Rs. 10/- each fully paid) | 50,000 | 5.00 | 50,000 | 5.00 |
| Starship Value Chain and Manufacturing Private Limited (Formerly known as Starship Manufacturing & Services Private Limited) (Shares of Rs. 10/- each fully paid) | 5,000 | 0.50 | 5,000 | 0.50 |
| Total | 10,000 | 1.00 | 10,000 | 1.00 |
| | 15,394,536 | 1,785.57 | 15,394,536 | 1,785.57 |
| Measured at fair value through profit and loss | | | | |
| Current investments, quoted | | | | |
| Investments in mutual funds | | | | |
| Nippon Money Market Fund - D G | 2,847 | 101.00 | - | - |
| Kotak Banking & PSU Debt Fund Direct Growth | - | - | 2,033,681 | 1,103.94 |
| Axis Short Term Plan-D-G | - | - | 3,596,142 | 959.55 |
| DSP Banking and PSU Debt Fund-Direct Growth | - | - | 4,232,783 | 845.36 |
| IDFC Corporate Bond Fund Regular Plan-Growth | - | - | 4,534,078 | 713.42 |
| ICICI Prudential Banking & PSU Debt Fund | - | - | 2,200,468 | 592.37 |
| Kotak Bond Short Term Fund - Direct Growth | - | - | 1,256,924 | 574.36 |
| Kotak Corporate Bond Fund - Direct Growth | - | - | 17,573 | 550.54 |
| Mirae Asset Corporate Bond Fund-R G | - | - | 4,846,475 | 505.80 |
| LIC MF PSU Banking Fund Direct Growth | - | - | 1,642,874 | 493.42 |
| HSBC Corporate Bond Fund Direct Growth | - | - | 3,927,087 | 419.78 |
| Trust MF Banking & PSU Debt Fund - Direct Plan - Growth | - | - | 29,009 | 306.34 |
| ICICI Prudential Ultra short term Fund -D G | - | - | 1,271,606 | 304.05 |
| JM Low Duration Fund - R G | - | - | 996,504 | 301.12 |
| Canara Robeco Corporate Bond Fund - Direct Growth | - | - | 1,109,397 | 209.37 |
| PGIM India Low Duration Fund D G | - | - | 796,144 | 203.30 |
| Mahindra Manulife Short Term Fund D G | - | - | 1,922,171 | 203.04 |
| Trust MF Short Term Fund D G | - | - | 19,695 | 202.27 |
| Tata Corporate Bond Fund D G | - | - | 1,999,900 | 202.26 |
| Edelweiss Nifty PSU Bond Plus Sdl Index Fund 2026 R G | - | - | 1,883,463 | 201.97 |
| Axis CPSE Plus SDL 2025 Debt Index Fund D G | - | - | 1,999,900 | 201.65 |
| Canara Robeco Short Term Duration Fund -D G | - | - | 898,208 | 201.47 |
| Trust MF Banking & PSU Debt Fund - Regular - Growth | - | - | 19,076 | 200.28 |
| ICICI Prudential Corporate Bond Fund - Direct Plan - Growth | - | - | 415,282 | 102.10 |
| Nippon Short Term Fund - D G | - | - | 223,873 | 101.92 |
| ABSL Floating Rate Fund -Dg | - | - | 35,907 | 101.81 |
| Tata Banking & PSU Debt Fund D G | - | - | 856,480 | 101.73 |
| Invesco India Corporate Bond Fund - D G | - | - | 3,716 | 101.63 |
| Edelweiss Nifty PSU Bond Plus Sdl Index Fund D G | - | - | 993,561 | 101.41 |
| Edelweiss Nifty PSU Bond Plus Sdl Index Fund 2027 R G | - | - | 993,996 | 101.38 |
| Invesco India Medium Duration Fund- D G | - | - | 9,826 | 101.33 |
| L & T Low Duration Fund Direct Growth | - | - | 421,328 | 100.53 |
| Nippon India Corporate Bond Fund - D G | - | - | 202,851 | 100.51 |
| DSP Short Term Fund-D G | - | - | 247,808 | 100.47 |
| ABSL Crisil Aaa Jun 2023 Index Fund D G | - | - | 1,000,261 | 100.43 |
| Axis Money Market Fund - D G | 8,277 | 100.79 | - | - |
| ICICI Prudential Corporate Bond Fund - Direct Plan - Growth | 400,849 | 100.10 | - | - |
| DSP Savings Fund - D G | 435,394 | 200.23 | - | - |
| Kotak Liquid Fund D G | 4,400 | 200.12 | - | - |
| Axis Liquid Fund D G | 8,002 | 200.11 | - | - |
| Edelweiss Money Market Fund D G | 753,258 | 199.99 | - | - |
| LIC MF Saving Fund -D G | 552,000 | 199.99 | - | - |
| ICICI Prudential Corporate Bond Fund - Direct Plan - Growth | 400,425 | 100.00 | - | - |
| Bandhan Ultra short term fund D G | 1,528,742 | 199.98 | - | - |
| Total | 4,094,193 | 1,602.30 | 46,638,045 | 10,710.91 |
| Aggregate value of unquoted investments | | 1,785.57 | | 1,785.57 |
| Aggregate book value of quoted investments | | 1,602.30 | | 10,710.91 |
| Aggregate market value of quoted investments | | 1,602.30 | | 10,710.91 |



Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

7. Investment (contd.)

- (i) As at March 31, 2023, the carrying value of investment in 15,265,466 equity shares of Rs. 5 each of Kurlon Retail Limited amounting to Rs. 1,760.00 lakhs is tested for decline other than temporary in view of negative networth. The management has assessed the value in use of the subsidiary and considering the expected volume of sales, margins earned and future profitability, the carrying value is considered appropriate. However, the loan receivable of Rs 23,98.69 has been provided for (refer note 8(a)).

8. Loans

| | Non - current | | Current | |
|---|----------------|-----------------|----------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Unsecured, at amortised cost (considered good) | | | | |
| Loans | | | | |
| - Subsidiaries (Refer Note 36) | 215.89 | 2,614.36 | - | - |
| - Others | - | - | 10.00 | 56.74 |
| | 215.89 | 2,614.36 | 10.00 | 56.74 |
| Loans | | | | |
| - Subsidiaries (Refer Note 36) | 2,973.75 | 418.08 | - | - |
| Less : Loss allowance | (2,973.75) | (418.08) | - | - |
| | 215.89 | 2,614.36 | 10.00 | 56.74 |

- (a) The details of unsecured loans to subsidiaries given for the purpose of working capital requirements are as follows :

| Name of the subsidiary | Rate of interest | Due date of repayment (Note (b)) | March 31, 2023 | | March 31, 2022 | |
|--|------------------|----------------------------------|-----------------|----------------------|-----------------|----------------------|
| | | | Gross | Allowance (Note (c)) | Gross | Allowance (Note (c)) |
| Kurlon Retail Limited | 8.50% | On demand | 2,398.69 | (2,398.69) | 2,601.34 | - |
| Kanvas Concepts Private Limited | 8.50% | On demand | 162.91 | (162.91) | 162.76 | (162.76) |
| Komfort Universe Products and Services Private Limited | 8.50% | On demand | 412.15 | (412.15) | 81.40 | (81.40) |
| Sirar Solar Energies Private Limited (refer note (e)) | 8.50% | On demand | 98.71 | - | 74.59 | (74.59) |
| Sirar Dhotre Solar Private Limited (refer note (e)) | 8.50% | On demand | 81.78 | - | 68.81 | (68.81) |
| Sevalal Solar Private Limited (refer note (e)) | 8.50% | On demand | 22.08 | - | 30.53 | (30.53) |
| Belvedere International Limited | 8.50% | On demand | 13.31 | - | 13.01 | - |
| Total | | | 3,189.64 | (2,973.75) | 3,032.44 | (418.08) |

- (b) The Company has granted various loans to its subsidiary companies to meet their working capital requirements which has been approved by the Board of Directors. The aforesaid loans are repayable on demand along with interest and management believes that these terms are not prejudicial to the Company's interests. The Company has not demanded the aforesaid loans along with interest during the year.
- (c) Considering the financial position of these subsidiaries, the Company has provided loss allowance on the aforesaid outstanding loan amount and same has been disclosed as exceptional item (Refer note 33A).
- (d) Except as disclosed above, there are no loans to Directors or other officers of the Company or any of them either severally or jointly with any other person or loans to any firm in which director is a partner.
- (e) As detailed in note 48 with respect to Share purchase agreement dated July 17, 2023 entered by Sheela Foam Limited for acquiring shares held by Kanara Consumer Products Limited (formerly known as Kulron Limited) and Kurlon Trading and Invest management Private Limited in the company and conditions precedent mentioned there in, the Company is required to recover/settle all the related party receivables/payables as applicable and hence Rs 173.93 lakhs provided earlier has been reversed.

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Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

9. Other financial assets

| | Non - current | | Current | |
|---|-----------------|----------------|------------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Considered good unless otherwise stated | | | | |
| Unsecured, at amortised cost | | | | |
| Interest accrued on fixed deposits | - | - | 6.38 | 84.44 |
| Security deposits # | 567.74 | 665.71 | 15,548.70 | 74.35 |
| Insurance Receivable * | 2,022.29 | - | - | - |
| Interest accrued on loans given to subsidiaries | - | - | 13.66 | - |
| | 2,590.03 | 665.71 | 15,568.74 | 158.79 |
| Unsecured, credit impaired | | | | |
| Interest accrued on loan given to subsidiaries | - | - | 42.12 | 16.82 |
| Less : Loss allowance (Refer Note 36 and below) | - | - | (42.12) | (16.82) |
| | - | - | - | - |
| | 2,590.03 | 665.71 | 15,568.74 | 158.79 |

Pertains to interest on loan given to subsidiaries which are payable on demand along with respective principal amounts. Considering the financial position of these subsidiaries, the Company has provided loss allowance on the interest accrued on loan given to subsidiaries on outstanding interest amount as of March 31, 2023. Refer Note 8(a) for details.

* During the year, there is fire accident occurred at one of the Company's factory located at Jhagadia. In such fire accident, various assets including inventories, property, plant & equipment were damaged/burnt against which the Company has filed claim with the insurer for Rs 4,177.98 lakhs of which, the Company has received interim claim of Rs 465 lakhs. Insurance receivable of Rs 2,022.29 lakhs as of 31 March 2023 represents book of value of damaged/burn assets including inventories. The Company is confident of realising the aforesaid claim in near future.

Includes lease deposit amount of Rs 15,300 lakhs paid by the Company to Kanara Consumer Products Limited during the year 2022-23, towards various premises taken on lease from Kanara Consumer Products Limited basis renegotiation of terms and conditions of on-going lease arrangements. As detailed in note 48 with respect to Share purchase agreement dated July 17, 2023 entered by Sheela Foam Limited for acquiring shares held by Kanara Consumer Products Limited and Kurlon Trading and Invest management Private Limited in the company and conditions precedent mentioned there in, the Company is required to recover/settle all the related party receivables/payables as applicable. Hence, the carrying value is considered recoverable.

10. Income tax assets (net)

| | March 31, 2023 | March 31, 2022 |
|---|-----------------|-----------------|
| Advance income tax including tax deducted at source | 6,197.81 | 10,449.88 |
| Provision for current tax | (4,701.76) | (9,003.90) |
| | 1,496.05 | 1,445.98 |

11. Other assets

| | Non - current | | Current | |
|--|-----------------|-----------------|------------------|-----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Unsecured, considered good | | | | |
| Capital advances (Refer Note (i) below) | 1,510.85 | 2,149.04 | - | - |
| Advances recoverable in cash or kind | - | - | - | - |
| - Related parties (Refer Note 36) | - | - | 7,713.74 | 4,715.56 |
| - Others | - | - | 1,583.37 | 698.39 |
| Advance to employees | - | - | 70.20 | 50.23 |
| Prepaid expenses | - | - | 504.77 | 285.69 |
| Leave encashment fund | - | - | - | 7.23 |
| Balances with statutory/government authorities | - | - | 308.05 | 299.61 |
| | 1,510.85 | 2,149.04 | 10,180.13 | 6,056.71 |
| Unsecured, credit impaired | | | | |
| Advances recoverable in cash or kind | - | - | - | - |
| - Others | - | - | 24.92 | 24.92 |
| Less : Provision for doubtful advances | - | - | (24.92) | (24.92) |
| | - | - | - | - |
| Total | 1,510.85 | 2,149.04 | 10,180.13 | 6,056.71 |

(i) Capital advances includes the following :

- (a) During the year 2013-2014, the Kanara Consumer Products Limited (formerly known as "Kulron Limited" or "Holding Company") had paid an advance of Rs. 1,222.76 lakhs to Maharashtra Apex Corporation Limited (MRACL) (a related party) for purchase of land. In an earlier year, the Honorable Karnataka High Court (The court) had vide its order dated October 08, 2004 had stated that sale of land can be carried out only with its permission. Subsequently, the court vide its order dated April 20, 2012 accorded its consent for the sale of land to Kanara Consumer Products Limited. During the financial year 2014-2015, the advance was transferred by Holding Company to the Company and has been carried in the books till date.

As detailed in note 48 with respect to Share purchase agreement dated July 17, 2023 entered by Sheela Foam Limited for acquiring shares held by Kanara Consumer Products Limited (formerly known as Kulron Limited) and Kurlon Trading and Invest management Private Limited in the company and conditions precedent mentioned there in, the Company is required to recover/settle all the related party receivables/payables as applicable. Hence, the carrying value is considered recoverable.

- (b) Out of Capital advances as of March 31, 2022, Rs 622.07 lakhs has been adjusted against security deposit towards modified lease agreement entered with the Holding Company.



Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

12. Inventories (valued at lower of cost and net realizable value)

| | March 31, 2023 | March 31, 2022 |
|---|-----------------|------------------|
| Raw materials (includes goods in transit Rs. Nil (March 31, 2022 - Rs. 657.89)) | 2,962.94 | 5,242.40 |
| Work in progress | 987.57 | 1,836.54 |
| Finished goods (includes in transit Rs. Nil (March 31, 2022 - Rs. Nil)) | 3,068.02 | 3,536.69 |
| Spares and consumables | 488.28 | 546.30 |
| Traded goods | 384.13 | 378.43 |
| | 7,890.94 | 11,540.36 |

The carrying value of inventories as reflected above is net of provision for aged/slow moving stock of Rs. 619.84 lakhs (March 31, 2022 : Rs. 706.79 lakhs).

13. Trade receivables

| | March 31, 2023 | March 31, 2022 |
|--|-----------------|-----------------|
| Financial assets, at amortised cost | | |
| Unsecured, considered good | 5,868.23 | 5,446.95 |
| Unsecured, credit impaired | 1,666.42 | 1,592.89 |
| | 7,534.65 | 7,039.84 |
| Provision for doubtful receivables | (1,666.42) | (1,592.89) |
| | 5,868.23 | 5,446.95 |

Notes:

- (i) Trade receivables are non-interest bearing and are generally on terms of 7 to 90 days.
(ii) For balances with related parties, refer Note 36.
(iii) Trade Receivables ageing schedule.

| | Outstanding for following periods from the due date of payment | | | | | | Total |
|--|--|--------------------|--------------------|---------------|---------------|-------------------|-----------------|
| | Not due | Less than 6 months | 6 months to 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| March 31, 2023 | | | | | | | |
| Undisputed trade receivables - considered good | 3,931.86 | 1,336.37 | 372.51 | 12.67 | 214.82 | - | 5,868.23 |
| Undisputed trade receivables - credit impaired | - | - | 181.29 | 208.73 | 514.78 | 475.90 | 1,380.70 |
| Disputed trade receivables - credit impaired | - | 0.87 | 7.04 | 17.70 | 16.60 | 243.51 | 285.72 |
| | 3,931.86 | 1,337.24 | 560.84 | 239.10 | 746.20 | 719.41 | 7,534.65 |
| March 31, 2022 | | | | | | | |
| Undisputed trade receivables - considered good | 571.63 | 4,673.51 | 185.51 | 13.65 | 1.83 | 0.82 | 5,446.95 |
| Undisputed trade receivables - credit impaired | - | - | - | 872.50 | 227.37 | 151.86 | 1,251.73 |
| Disputed trade receivables - credit impaired | - | - | - | 76.28 | 104.38 | 160.50 | 341.16 |
| | 571.63 | 4,673.51 | 185.51 | 962.43 | 333.58 | 313.18 | 7,039.84 |

14. Cash and bank balances

| | Non-Current | | Current | |
|--|----------------|----------------|----------------|-----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Cash and cash equivalents | | | | |
| Cash in hand | - | - | 4.53 | 3.13 |
| Balances with banks : | | | | |
| In current accounts | - | - | 209.48 | 144.37 |
| | | | 214.01 | 147.50 |
| Other bank balances | | | | |
| Deposits with remaining maturity for less than 12 months | - | - | 0.05 | 4,090.00 |
| Earmarked balances with banks * | - | - | 134.25 | 141.79 |
| Unclaimed dividend account | - | - | 15.01 | 15.71 |
| | | | 149.31 | 4,247.50 |
| | | | 363.32 | 4,395.00 |

* Deposits receipts pledged with banks for obtaining letter of credit & bank guarantee facilities.



15. Equity share capital

| | March 31, 2023 | | March 31, 2022 | |
|--|--------------------|-----------------|--------------------|-----------------|
| | Nos. | Amount | Nos. | Amount |
| Authorised shares | | | | |
| Equity shares of Rs. 5/- each with voting rights | 150,600,000 | 7,530.00 | 150,600,000 | 7,530.00 |
| | 150,600,000 | 7,530.00 | 150,600,000 | 7,530.00 |
| Issued, subscribed and fully paid-up shares | | | | |
| Equity shares of Rs. 5/- each with voting rights | 36,552,261 | 1,827.62 | 36,552,261 | 1,827.62 |
| | 36,552,261 | 1,827.62 | 36,552,261 | 1,827.62 |

a. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

| | March 31, 2023 | | March 31, 2022 | |
|---|-------------------|-----------------|-------------------|-----------------|
| | Nos. | Amount | Nos. | Amount |
| At the beginning of the year | 36,552,261 | 1,827.62 | 36,552,261 | 1,827.62 |
| Issued during the year | - | - | - | - |
| Outstanding at the end of the year | 36,552,261 | 1,827.62 | 36,552,261 | 1,827.62 |

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 5 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by Holding Company

| | March 31, 2023 | | March 31, 2022 | |
|--|-------------------|---------------|-------------------|---------------|
| | Nos. | % | Nos. | % |
| Kanara Consumer Products Limited (formerly known as "Kurlon Limited", the Holding Company) | 32,338,830 | 88.47% | 30,924,115 | 84.60% |
| Equity shares of Rs. 5/- each | 32,338,830 | 88.47% | 30,924,115 | 84.60% |

d. Details of shareholders holding more than 5% shares in the Company

| | March 31, 2023 | | March 31, 2022 | |
|---|----------------|--------|----------------|--------|
| | Nos. | % | Nos. | % |
| <u>Equity shares of Rs. 5/- each</u> | | | | |
| Kanara Consumer Products Limited (formerly known as "Kurlon Limited", the Holding Company)* | 32,338,830 | 88.47% | 30,924,115 | 84.60% |
| Kurlon Trading and Invest management Private Limited | 2,263,545 | 6.19% | - | - |
| Indian Business Excellence Fund II A | - | - | 2,354,086 | 6.44% |

* Includes the beneficial interest in 100 shares, which are registered in the name of the Managing Director.

e. Details of shares issued for consideration other than cash during the preceding five years

| | March 31, 2023 | March 31, 2022 | March 31, 2021 | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|----------------|----------------|------------------|
| <u>Equity shares of Rs. 5/- each with voting rights</u> | | | | | |
| Fully paid up bonus shares | - | - | - | - | 8,595,013 |
| | - | - | - | - | 8,595,013 |

f. Details of shares held by promoters

As at March 31, 2023

| | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of total shares | % change during the year |
|--|--|------------------------|--------------------------------------|-------------------|--------------------------|
| Kanara Consumer Products Limited (formerly known as "Kurlon Limited", the Holding Company) | 30,924,115 | 1,414,715 | 32,338,830 | 88.47% | 4.57% |
| Tonse Sudhakar Pai | 347 | - | 347 | 0.00% | - |
| Jaya Sudhakar Pai | 347 | 2,300 | 2,647 | 0.01% | 663% |
| | 30,924,809 | 1,417,015 | 32,341,824 | 88.48% | 4.58% |



15. Equity share capital (contd.)

As at March 31, 2022

| | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of total shares | % change during the year |
|--|--|------------------------|--------------------------------------|-------------------|--------------------------|
| Kanara Consumer Products Limited (formerly known as "Kurlon Limited", the Holding Company) | 30,949,615 | (25,500) | 30,924,115 | 84.60% | -0.08% |
| Tonse Sudhakar Pai | 347 | - | 347 | 0.00% | - |
| Jaya Sudhakar Pai | 347 | - | 347 | 0.00% | - |
| | 30,950,309 | (25,500) | 30,924,809 | 84.60% | -0.08% |

g. Dividend made and proposed

| | March 31, 2023 | | March 31, 2022 | |
|--|----------------|--------|----------------|----------|
| | Dividend/Share | Rs. | Dividend/Share | Rs. |
| Dividend on equity shares declared and paid | | | | |
| Final dividend for the year ended March 31, 2022 paid in financial year 2022-23: Rs 182.76 lakhs (for the year ended March 31, 2021 paid in financial year 2021-22: Rs 1,827.61 lakhs) | 0.50 | 182.76 | 5.00 | 1,827.61 |
| Proposed dividend on equity shares | | | | |
| Proposed dividend for the year ended March 31, 2023 : Rs 731.04 Lakhs (for the year ended March 31, 2022: Rs 182.76 lakhs) | 2.00 | 731.04 | 0.50 | 182.76 |

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31.

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16. Other equity

| | March 31, 2023 | March 31, 2022 |
|---|------------------|------------------|
| Securities premium account | | |
| Balance at the beginning of the year | 14,860.49 | 14,860.49 |
| Add : Premium on issue of shares | - | - |
| Balance as at end of the year | 14,860.49 | 14,860.49 |
| General reserve | | |
| Balance at the beginning of the year | 1,286.11 | 1,286.11 |
| Add : Transfer from surplus in the statement of profit and loss | - | - |
| Balance as at end of the year | 1,286.11 | 1,286.11 |
| Retained earnings | | |
| Balance at the beginning of the year | 31,367.87 | 32,949.52 |
| Add : Profit/(Loss) for the year | (1,317.45) | 357.96 |
| Add : Other comprehensive income/(loss) for the year | (31.47) | (112.00) |
| Less : Dividend paid | (183.21) | (1,827.61) |
| Balance as at end of the year | 29,835.74 | 31,367.87 |
| Total | 45,982.34 | 47,514.47 |

17. Lease liabilities

| | Non - current | | Current | |
|-------------------|----------------|----------------|----------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Lease liabilities | 921.21 | 547.88 | 413.24 | 454.78 |
| | 921.21 | 547.88 | 413.24 | 454.78 |

The movement of lease liabilities during the year is as below:

| | March 31, 2023 | March 31, 2022 |
|------------------------------|-----------------|-----------------|
| At the beginning of the year | 1,002.66 | 446.12 |
| Additions | 979.49 | 961.79 |
| Interest expense | 102.91 | 82.30 |
| Payments | (586.86) | (477.65) |
| Termination of leases | (163.75) | (9.90) |
| At the end of the year | 1,334.45 | 1,002.66 |

The maturity analysis of lease liabilities are disclosed in Note 43.

18. Other financial liabilities

| | Non - current | | Current | |
|-------------------------------------|-----------------|-----------------|----------------|-----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Unsecured, at amortised cost | | | | |
| Security deposits | 5,781.90 | 5,361.77 | - | - |
| Employee related liabilities | - | - | 897.40 | 918.57 |
| Payable for capital goods | - | - | 4.84 | 150.93 |
| Unpaid dividend account | - | - | 15.14 | 15.71 |
| | 5,781.90 | 5,361.77 | 917.38 | 1,085.21 |

19. Provisions

| | Non - current | | Current | |
|---------------------------------|----------------|----------------|----------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Provision for warranty* | 332.57 | 374.32 | 486.27 | 444.52 |
| Provision for employee benefits | | | | |
| Gratuity (Refer Note 41) | 44.46 | 126.47 | 74.45 | 86.69 |
| Leave Encashment | - | - | 71.96 | - |
| | 377.03 | 500.79 | 632.68 | 531.21 |

* Provision for warranty :

The Company provides warranties on its products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at year end represent the amount of the expected cost based on past experience of meeting such obligations. The table below gives information about movement in warranty provisions.

| | March 31, 2023 | March 31, 2022 |
|--------------------------------------|----------------|----------------|
| Balance as at beginning of the year | 818.84 | 798.84 |
| Provisions created during the year | 361.79 | 328.64 |
| Amounts utilised during the year | (361.79) | (308.64) |
| Balance as at end of the year | 818.84 | 818.84 |
| Current | 486.27 | 444.52 |
| Non-current | 332.57 | 374.32 |

20. Deferred tax liabilities (net)

| | Non - current | |
|--------------------------|----------------|-----------------|
| | March 31, 2023 | March 31, 2022 |
| Deferred tax liabilities | 2,414.33 | 2,609.66 |
| Deferred tax assets | (1,775.49) | (911.12) |
| | 638.84 | 1,698.54 |

Refer Note 44 for further details.



Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

21. Borrowings

| | March 31, 2023 | March 31, 2022 |
|--|-----------------|----------------|
| Secured borrowings | | |
| Loans from banks | 1,010.91 | 11.26 |
| Unsecured borrowings | | |
| Loans from related parties (Refer Note 36) | 650.00 | 676.30 |
| | 1,660.91 | 687.56 |

(a) **Loan from banks of Rs. 1,010.91 lakhs (March 31, 2022 : Rs. 11.26 lakhs)**

(i) The Company has obtained various facilities from Axis Bank and Kotak Bank. The loan is secured by first pari passu charge on entire current assets of the Company. The loan is repayable on demand and carries interest rate of 3 months MCLR + 0.2% p.a. and 6 months MCLR + 0.1% p.a. on the cash credit and working capital loan facilities respectively. The outstanding balance against the aforesaid facility as of March 31, 2023 is Rs. 1,001.71 (March 31, 2022 : Rs. Nil).

(ii) The Company has obtained corporate credit cards from banks and the outstanding balance as of March 31, 2023 is Rs. 9.20 lakhs (March 31, 2022 : Rs. 11.26 lakhs).

(b) **Loan from related parties of Rs. 650 lakhs (March 31, 2022 : Rs. 676.30 lakhs)**

The Company has obtained a loan from Mrs. Jaya S Pai, Director. The loan is unsecured and is repayable on demand and carries interest rate of 10% p.a.

The table below depicts changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes :

Reconciliation of liabilities arising from financing activities

| | Beginning of the year | Cash flows (net) | Non cash adjustments | End of the year |
|----------------------------|-----------------------|------------------|----------------------|-----------------|
| March 31, 2023 | | | | |
| Loans from banks | 11.26 | 999.65 | - | 1,010.91 |
| Loans from related parties | 676.30 | (26.30) | - | 650.00 |
| Lease liabilities | 1,002.66 | (483.95) | 815.74 | 1,334.45 |
| | 1,690.22 | 489.40 | 815.74 | 2,995.36 |
| March 31, 2022 | | | | |
| Loans from banks | 510.94 | (499.68) | - | 11.26 |
| Loans from related parties | 676.30 | - | - | 676.30 |
| Lease liabilities | 446.12 | (395.35) | 951.89 | 1,002.66 |
| | 1,633.36 | (895.03) | 951.89 | 1,690.22 |

22. Trade payables

| | March 31, 2023 | March 31, 2022 |
|--|------------------|------------------|
| At amortised cost | | |
| Total outstanding dues of micro enterprises and small enterprises (Refer Note 37) | 313.09 | 355.45 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 11,714.21 | 11,314.77 |
| | 12,027.30 | 11,670.22 |

Ageing of trade payables

| | Outstanding for following periods from the date of transaction | | | | | Total |
|--------------------------------------|--|------------------|--------------|--------------|-------------------|------------------|
| | Unbilled | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| March 31, 2023 | | | | | | |
| Undisputed trade payables - MSME | 264.06 | 17.48 | 22.59 | 8.96 | - | 313.09 |
| Undisputed trade payables - Non MSME | 10,443.35 | 1,233.47 | 25.27 | 7.70 | 4.42 | 11,714.21 |
| Total | 10,707.41 | 1,250.95 | 47.86 | 16.66 | 4.42 | 12,027.30 |
| March 31, 2022 | | | | | | |
| Undisputed trade payables - MSME | 31.54 | 323.91 | - | - | - | 355.45 |
| Undisputed trade payables - Non MSME | 4,861.25 | 6,356.19 | 65.68 | 10.29 | 21.36 | 11,314.77 |
| Total | 4,892.79 | 6,680.10 | 65.68 | 10.29 | 21.36 | 11,670.22 |

23. Other current liabilities

| | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Contract liabilities - Advance from customers | 393.60 | 436.82 |
| Statutory dues payables | 274.58 | 232.52 |
| | 668.18 | 669.34 |

Contract liabilities are recognised as revenues when the Company performs under the contract (i.e. transfer of control of the related goods).

24. Liabilities for current tax (net)

| | March 31, 2023 | March 31, 2022 |
|-------------------------|----------------|----------------|
| Current tax liabilities | 512.99 | - |
| | 512.99 | - |



Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

25. Revenue from operations

| | March 31, 2023 | March 31, 2022 |
|--|------------------|------------------|
| Revenue from contracts with customers | | |
| Sale of products | | |
| Finished goods | 93,612.02 | 73,182.76 |
| Traded goods | 828.80 | 12,677.06 |
| Less : Schemes & rebates | (10,402.42) | (8,858.68) |
| Other operating revenue | | |
| Scrap sales | 248.82 | 224.44 |
| Revenue from operations | 84,287.22 | 77,225.58 |

(a) Timing of revenue from operations

| | March 31, 2023 | March 31, 2022 |
|--------------------------------------|------------------|------------------|
| Goods transferred at a point in time | 84,287.22 | 77,225.58 |
| | 84,287.22 | 77,225.58 |

(b) Reconciliation of amount of revenue recognised with contract price

| | March 31, 2023 | March 31, 2022 |
|-------------------------------|------------------|------------------|
| Revenue as per contract price | 94,689.64 | 86,084.26 |
| Less : Discounts | (10,402.42) | (8,858.68) |
| | 84,287.22 | 77,225.58 |

(c) Movement in contract liabilities during the year *

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Opening balance | 436.82 | 574.52 |
| Less : Revenue recognised during the year | (436.82) | (574.52) |
| Add : Amount of consideration received during the year | 393.60 | 436.82 |
| Closing balance | 393.60 | 436.82 |

* Contract liabilities consists of advances received from customers towards supply of products.

26. Other income

| | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Gain on sale of investments in mutual funds | 491.04 | 355.41 |
| Fair value gain on mutual fund at fair value through profit or loss | - | 125.48 |
| Interest income | | |
| - On fixed deposits | 65.24 | 235.17 |
| - On security deposits | 24.84 | 20.74 |
| - On Others | 15.02 | 7.69 |
| Liabilities no longer required written back | 16.82 | 40.48 |
| Gain on early termination of lease | 11.18 | 0.92 |
| Miscellaneous income | 41.53 | 180.90 |
| | 665.67 | 966.79 |

27. Cost of raw materials consumed

| | March 31, 2023 | March 31, 2022 |
|--|------------------|------------------|
| Inventories at the beginning of the year | 5,242.40 | 4,487.83 |
| Add: Purchases | 35,651.46 | 37,092.04 |
| Less: Inventories at the end of the year | (2,962.94) | (5,242.40) |
| Cost of raw materials consumed | 37,930.92 | 36,337.47 |

28. Purchase of traded goods

| | March 31, 2023 | March 31, 2022 |
|--------------------------|-----------------|-----------------|
| Purchase of traded goods | 9,079.51 | 8,749.41 |
| | 9,079.51 | 8,749.41 |

29. Changes in inventories of finished goods, work-in-progress and traded goods

| | March 31, 2023 | March 31, 2022 |
|---|-----------------|-----------------|
| Inventories at the end of the year | | |
| Finished goods | 3,068.02 | 3,536.69 |
| Work in progress | 987.57 | 1,836.54 |
| Traded goods | 384.13 | 378.43 |
| | 4,439.72 | 5,751.66 |
| Inventories at the beginning of the year | | |
| Finished goods | 3,536.69 | 3722.45 |
| Work in progress | 1,836.54 | 1786.97 |
| Traded goods | 378.43 | 584.06 |
| | 5,751.66 | 6,093.48 |
| | 1,311.94 | 341.82 |



Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

30. Employee benefit expenses

| | March 31, 2023 | March 31, 2022 |
|---|-----------------|-----------------|
| Salaries, wages and bonus | 4,772.52 | 4,660.38 |
| Gratuity expenses (Refer Note 41) | 65.37 | 58.10 |
| Contribution to provident and other funds (Refer Note 41) | 221.77 | 244.97 |
| Staff welfare expenses | 200.89 | 180.85 |
| | 5,260.55 | 5,144.30 |

31. Finance costs

| | March 31, 2023 | March 31, 2022 |
|--------------------------|----------------|----------------|
| Interest expenses | | |
| - On borrowings | 87.09 | 87.00 |
| - On lease liabilities | 102.91 | 82.30 |
| Customer financing costs | 157.23 | 89.79 |
| Other | 29.17 | 27.87 |
| | 376.40 | 286.96 |

32. Depreciation and amortisation expense

| | March 31, 2023 | March 31, 2022 |
|--|-----------------|-----------------|
| Depreciation of property, plant and equipment* | 1,839.67 | 1,900.91 |
| Amortisation of intangible assets | 133.98 | 136.96 |
| Depreciation of right to use assets | 558.87 | 474.11 |
| | 2,532.52 | 2,511.98 |

* Net of depreciation cross charged to group companies amounting to Rs. 122.77 lakhs (March 31, 2022 : Rs.130.81 lakhs)

33. Other expenses

| | March 31, 2023 | March 31, 2022 |
|---|------------------|------------------|
| Consumption of stores, spares and consumables | 374.74 | 324.71 |
| Power and fuel | 1,055.11 | 861.72 |
| Freight outward | 7,252.09 | 6,574.02 |
| Rent | 2,186.26 | 58.96 |
| Repairs and maintenance | | |
| Buildings | 162.24 | 81.83 |
| Plant and machinery | 112.03 | 147.73 |
| Others | 277.94 | 289.02 |
| Tailoring and fabrication | 3,235.48 | 3,093.63 |
| Rates and taxes | 295.89 | 126.46 |
| Expenditure on corporate social responsibility | 135.46 | 202.99 |
| Insurance expenses | 423.47 | 305.62 |
| Foreign currency exchange loss (net) | 9.46 | 16.51 |
| Fair value loss on mutual fund at fair value through profit or loss | 511.28 | - |
| Security expenses | 595.53 | 565.34 |
| Warehouse charges | 983.81 | 974.47 |
| Postage and telephone expenses | 97.12 | 134.42 |
| Payment to auditors* | 66.50 | 55.00 |
| Advertisement, promotion and selling expenses | 3,268.71 | 3,852.45 |
| Travelling and conveyance expenses | 932.10 | 916.95 |
| Legal and consultancy charges | 4,697.35 | 4,423.34 |
| Director's sitting fees | 3.75 | 1.67 |
| Loss on sale of property, plant and equipment | 291.72 | 152.21 |
| Advance to suppliers written off | 0.10 | - |
| Bad debts written off | 123.08 | 130.90 |
| Deposits written off | - | - |
| Provision for bad and doubtful debts | 73.78 | 594.68 |
| Provision for doubtful advances | - | 24.92 |
| Provision for warranty | 363.07 | 328.80 |
| Miscellaneous expenditure | 152.27 | 145.36 |
| | 27,680.34 | 24,383.71 |
| * Payment to auditors (excluding goods and service tax) | | |
| Audit services : | | |
| Statutory audit | 65.00 | 55.00 |
| Tax audit | - | - |
| Out of pocket expenses | 1.50 | - |
| | 66.50 | 55.00 |

33(A) Exceptional Item

| | March 31, 2023 | March 31, 2022 |
|--|-----------------|----------------|
| Provision for loans to related parties [Refer Note 8(a)] | 2,555.67 | 418.08 |
| | 2,555.67 | 418.08 |



Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2023

All amounts in Rs. Lakhs, unless otherwise stated

34. Earnings per share (EPS)

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Profit/(Loss) for the year | (1,317.45) | 357.96 |
| Weighted average number of equity shares outstanding (Basic and diluted) | 36,552,261 | 36,552,261 |
| Earnings per share (Basic and diluted) | (3.60) | 0.98 |

35. Segment reporting

The Company primarily is in the business of manufacture, purchase and sale of mattress, foam and related products. The Company does not distinguish revenues and expenses between different businesses in its internal reporting and reports costs and expenses by nature as a whole. The CODM reviews the results when making decision about allocating resources and assessing performance of the Company as a whole and hence, the Company has only one reportable segment. The Company operates and manages its business as a single segment. As the Company's assets are all located in India and the Company's revenues are derived from India, no geographical information is presented.

36. Related party disclosure**Names of related parties and related party relationships**Names of related parties where control exists irrespective of whether transactions have occurred or not

Holding Company Kanara Consumer Products Limited (Formerly known as Kurlon Limited)

Other related parties with whom transactions have taken place during the year

Wholly Owned Subsidiaries

Kurlon Retail Limited
Komfort Universe Products & Services Limited
Belvedere International Limited
Kanvas Concepts Private Limited
Starship Value Chain and Manufacturing Private Limited
Home Komfort Retail LLP (Acquired by Belvedere International Limited w.e.f September 01, 2022)
Starship Global VCT LLP

Subsidiary Entities

Sevalal Solar Private Limited
Sirar Solar Energies Private Limited
Sirar Dhotre Solar Private Limited

Fellow subsidiaries

Manipal Software & E-Commerce Private Limited
Manipal Natural Extracts Private Limited

Enterprises owned or significantly influenced by key management personnel /Directors and their relatives

Maha Rashtra Apex Corporation Limited
Jayamahal Trade and Investments Private Limited
Manipal Advertising Services Private Limited
Metropolis Builders Private Limited
Jai Bharath Mills Private Limited
Manipal Travels Private Limited

Directors and Key Management Personnel (KMP)

Mr. T. Sudhakar Pai, Managing Director
Ms. Jaya S Pai, Director
Ms. Jyothi Pradhan, Chief Executive Officer
Mr. H N Shrinivas, Non-Executive Director (w.e.f May 07,2021)
Mr. Nagarajan S, Non-Executive Director (w.e.f May 07,2021)
Mr. Nitin G Khot, Non- Executive Director (up to May,07,2021)
Mr. S Ananthanarayanan, Non- Executive Director (up to May,07,2021)
Mr. Jamsheed Minoo Panday, Non- Executive Director (w.e.f September 01, 2022)
Mr. Abhilash Kamti, Chief Financial Officer (w.e.f. June 01, 2022)
Mr. Ritesh Shroff, Chief Financial Officer (up to December 07, 2021)
Mr. Monu Kumar, Company Secretary



Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2023

All amounts in Rs. Lakhs, unless otherwise stated

36. Related party disclosure (Contd)

The transactions that have been entered into with related parties during the year are as follows:

| | March 31, 2023 | March 31, 2022 |
|---|-----------------|-----------------|
| <u>Sale of products</u> | | |
| Kurlon Retail Limited | 1,193.32 | 945.39 |
| Belvedere International Limited | 578.91 | - |
| Home Komfort Retail LLP | 391.84 | 988.94 |
| Komfort Universe Products & Services Limited | 76.56 | 4,990.85 |
| Manipal Advertising Services Private Limited | 0.05 | 0.30 |
| | 2,240.68 | 6,925.48 |
| <u>Scheme expenses</u> | | |
| Kurlon Retail Limited | 190.21 | 226.28 |
| Komfort Universe Products & Services Limited | 23.98 | 1,236.92 |
| Home Komfort Retail LLP | - | 0.05 |
| | 214.19 | 1,463.25 |
| <u>Interest income on loan given</u> | | |
| Komfort Universe Products and Services Limited | 27.17 | - |
| Kanvas Concepts Private Limited | 13.85 | - |
| Sirar Solar Energies Private Limited | 7.13 | 3.63 |
| Sirar Dhotre Solar Private Limited | 6.41 | 6.37 |
| Belvedere International Limited | 1.11 | - |
| Sevalal Solar Private Limited | 0.12 | 6.82 |
| | 55.79 | 16.82 |
| <u>Provision for doubtful recovery of interest income on loans</u> | | |
| Komfort Universe Products and Services Limited | 27.17 | - |
| Kanvas Concepts Private Limited | 13.85 | - |
| Belvedere International Limited | 1.11 | - |
| Sirar Solar Energies Private Limited | - | 3.63 |
| Sirar Dhotre Solar Private Limited | - | 6.37 |
| Sevalal Solar Private Limited | - | 6.82 |
| | 42.13 | 16.82 |
| <u>Rental income</u> | | |
| Starship Value Chain and Manufacturing Private Limited | 4.11 | - |
| Starship Global VCT LLP | - | 4.31 |
| | 4.11 | 4.31 |
| <u>Purchases</u> | | |
| Kanara Consumer Products Limited (formerly known as Kurlon Limited) | 9,079.51 | 8,749.41 |
| Komfort Universe Products & Services Limited | 43.86 | 8.81 |
| Belvedere International Limited | 35.61 | - |
| | 9,158.98 | 8,758.22 |
| <u>Managerial remuneration</u> | | |
| T Sudhakar Pai | 75.92 | 75.92 |
| Jyothi Pradhan | 73.89 | 79.07 |
| Ritesh Shroff | - | 41.83 |
| Abhilash Kamti | 18.00 | - |
| Monu Kumar | 13.63 | 12.77 |
| | 181.44 | 209.59 |
| <u>Repair & Maintenance - Others</u> | | |
| Kanara Consumer Products Limited (formerly known as Kurlon Limited) | 71.50 | - |
| Kurlon Retail Limited | 0.10 | - |
| | 71.60 | - |
| <u>Interest paid on unsecured loan</u> | | |
| Jaya S Pai | 62.63 | 52.88 |
| | 62.63 | 52.88 |



Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2023

All amounts in Rs. Lakhs, unless otherwise stated

36. Related party disclosure (Contd)**Freight outward**

| | March 31, 2023 | March 31, 2022 |
|--|-----------------|-----------------|
| Starship Global VCT LLP | - | 4,436.18 |
| Starship Value Chain and Manufacturing Private Limited | 6,585.84 | 1,290.94 |
| | 6,585.84 | 5,727.12 |

Warehouse charges

| | | |
|--|---------------|---------------|
| Starship Global VCT LLP | - | 799.94 |
| Starship Value Chain and Manufacturing Private Limited | 983.81 | 174.53 |
| | 983.81 | 974.47 |

Legal and consultancy charges

| | | |
|---|-----------------|-----------------|
| Starship Value Chain and Manufacturing Private Limited | 2,825.26 | 560.59 |
| Starship Global VCT LLP | - | 2,282.90 |
| Manipal Software & E-Commerce Private Limited | 403.30 | 344.38 |
| Komfort Universe Products & Services Limited | 55.53 | - |
| Kanara Consumer Products Limited (formerly known as Kurlon Limited) | 50.66 | - |
| Kanvas Concepts Private Limited | - | 33.34 |
| | 3,334.75 | 3,221.21 |

Advertisement and sales promotion expenses

| | | |
|--|---------------|-----------------|
| Komfort Universe Products & Services Limited | 211.74 | 10.00 |
| Manipal Advertising Services Private Limited | 668.26 | 1,301.93 |
| Kurlon Retail Limited | 2.92 | 47.75 |
| Belvedere International Limited | 39.13 | - |
| Kanvas Concepts Private Limited | - | 18.75 |
| | 922.05 | 1,378.43 |

Travelling and conveyance expenses

| | | |
|--|---------------|---------------|
| Manipal Travels (India) Private Limited | 247.28 | 134.31 |
| Komfort Universe Products & Services Limited | 9.72 | - |
| | 257.00 | 134.31 |

Sitting fees

| | | |
|-----------------------|-------------|-------------|
| H N Shrinivas | 1.17 | 0.39 |
| S Nagarajan | 1.17 | 0.39 |
| Jaya S Pai | 1.02 | 0.64 |
| Jamsheed Minoo Panday | 0.39 | - |
| Nitin G Khot | - | 0.13 |
| S Ananthanarayanan | - | 0.13 |
| | 3.75 | 1.68 |

Dividend paid

| | March 31, 2023 | March 31, 2022 |
|---|----------------|-----------------|
| Kanara Consumer Products Limited (formerly known as Kurlon Limited) | 162.09 | 1,546.24 |
| | 162.09 | 1,546.24 |

Reimbursement of expenses to related parties

| | | |
|--|---------------|---------------|
| Komfort Universe Products & Services Limited | 298.73 | 13.23 |
| Home Komfort Retail LLP | 123.48 | 180.74 |
| Starship Value Chain and Manufacturing Private Limited | 0.34 | - |
| Kurlon Retail Limited | - | 99.09 |
| Kanvas Concepts Private Limited | - | 18.75 |
| | 422.55 | 311.81 |

Lease Rentals to related parties

| | | |
|---|-----------------|--------------|
| Kanara Consumer Products Limited (formerly known as Kurlon Limited) | 2,209.00 | 18.00 |
| Metropolis Builders Private Limited | 29.78 | 28.25 |
| Jai Bharath Mills Private Limited | 6.00 | 6.00 |
| Jayamahar Trade and Investments Private Limited | 22.94 | 20.85 |
| | 2,267.72 | 73.10 |



Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2023

All amounts in Rs. Lakhs, unless otherwise stated

36. Related party disclosure (Contd)

The balances receivable from and payable to related parties as at year end are as follows :

| | March 31, 2023 | March 31, 2022 |
|---|------------------|-----------------|
| <u>Investment in subsidiaries</u> | | |
| Kurlon Retail Limited | 1,760.00 | 1,760.00 |
| Sevalal Solar Private Limited | 4.69 | 4.69 |
| Sirar Dhotre Solar Private Limited | 4.69 | 4.69 |
| Sirar Solar Energies Private Limited | 4.69 | 4.69 |
| Komfort Universe Products & Services Limited | 5.00 | 5.00 |
| Belvedere International Limited | 5.00 | 5.00 |
| Kanvas Concepts Private Limited | 1.00 | 0.50 |
| Starship Manufacturing and Services Private Limited | 0.50 | 1.00 |
| | 1,785.57 | 1,785.57 |
| <u>Capital advances</u> | | |
| Maha Rashtra Apex Corporation Limited | 1,222.76 | 1,222.76 |
| Kanara Consumer Products Limited (formerly known as Kurlon Limited) | - | 622.00 |
| | 1,222.76 | 1,844.76 |
| <u>Security deposit</u> | | |
| Jayamahala Trade and Investments Private Limited | 9.00 | 9.00 |
| Metropolis Builders Private Limited | 30.00 | 30.00 |
| Jai Bharath Mills Private Limited | 30.00 | 30.00 |
| Kanara Consumer Products Limited (formerly known as Kurlon Limited) | 15,300.00 | - |
| | 15,369.00 | 69.00 |
| <u>Trade receivables</u> | | |
| Belvedere International Limited | 175.68 | - |
| Komfort Universe Products & Services Limited | 474.63 | 218.14 |
| Starship Value Chain and Manufacturing Private Limited | 0.74 | - |
| Home Komfort Retail LLP | 41.09 | - |
| Manipal Advertising Services Private Limited | 0.06 | - |
| | 692.20 | 218.14 |
| <u>Loan to related parties (Gross)</u> | | |
| Kurlon Retail Limited | 2,398.69 | 2,601.34 |
| Kanvas Concepts Private Limited | 162.91 | 162.76 |
| Komfort Universe Products & Services Limited | 412.15 | 81.40 |
| Sirar Solar Energies Private Limited | 98.71 | 74.59 |
| Sirar Dhotre Solar Private Limited | 81.78 | 68.81 |
| Sevalal Solar Private Limited | 22.08 | 30.53 |
| Belvedere International Limited | 13.01 | 13.01 |
| | 3,189.33 | 3,032.44 |
| <u>Loss allowance on loans given to related parties</u> | | |
| Kurlon Retail Limited | 2,398.69 | - |
| Kanvas Concepts Private Limited | 162.91 | 162.76 |
| Komfort Universe Products & Services Limited | 412.15 | 81.40 |
| Sirar Solar Energies Private Limited | - | 74.59 |
| Sirar Dhotre Solar Private Limited | - | 68.81 |
| Sevalal Solar Private Limited | - | 30.53 |
| | 2,973.75 | 418.08 |
| <u>Interest income receivable</u> | | |
| Sevalal Solar Private Limited | 0.12 | 6.82 |
| Sirar Dhotre Solar Private Limited | 6.41 | 6.37 |
| Sirar Solar Energies Private Limited | 7.13 | 3.63 |
| | 13.66 | 16.82 |
| <u>Advance against supply of goods and services to related parties</u> | | |
| Kanara Consumer Products Limited (formerly known as Kurlon Limited) | 7,433.58 | 4,295.19 |
| Starship Global VCT LLP | 280.37 | 280.37 |
| Manipal Advertising Services Private Limited | - | 140.00 |
| | 7,713.95 | 4,715.56 |
| <u>Unsecured loans payable</u> | | |
| Jaya S Pai | 650.00 | 676.30 |
| | 650.00 | 676.30 |



Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2023

All amounts in Rs. Lakhs, unless otherwise stated

35. Related party disclosure (contd.)

| | March 31, 2023 | March 31, 2022 |
|---|-----------------|-----------------|
| Trade payables | | |
| Komfort Universe Products and Services Private Limited | 732.90 | - |
| Belvedere International Limited | 40.67 | - |
| Jai Bharath Mills Private Limited | 5.40 | 0.45 |
| Manipal Advertising Services Private Limited | 3.03 | - |
| Manipal Software & E-Commerce Private Limited | 32.86 | 45.38 |
| Manipal Travels Private Limited | - | 10.73 |
| Starship Value Chain and Manufacturing Private Limited | 781.81 | 1,131.93 |
| | 1,596.67 | 1,188.49 |
| Advance from customers | | |
| Home Komfort Retail LLP | 0.38 | 22.19 |
| | 0.38 | 22.19 |
| Lease liabilities | | |
| Jayamahal Trade and Investments Private Limited | 153.70 | 163.90 |
| Metropolis Builders Private Limited | 86.67 | 108.55 |
| Kanara Consumer Products Limited (formerly known as Kurlon Limited) | - | 96.24 |
| Jai Bharath Mills Private Limited | - | 5.75 |
| | 240.37 | 374.44 |

37. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development

| | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | |
| Principal amount due to micro and small enterprises | 279.97 | 323.91 |
| Interest due on above | 33.12 | 31.54 |
| | 313.09 | 355.45 |
| The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006. | 1.58 | 21.32 |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | 33.12 | 31.54 |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006 | 31.54 | - |

The information given above is to the extent such parties have been identified by the Company on the basis of information disclosed by the suppliers.

38. Leases**Short-term leases and lease of low-value assets**

The Company also has certain leases with lease terms of 12 months or less and leases of properties with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Rental expenses of Rs. 2,186.26 lakhs (March 31, 2022: Rs. 58.96 lakhs) have been recognised in the statement of profit and loss.



Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2023

All amounts in Rs. Lakhs, unless otherwise stated

39. Contingent liabilities and capital commitments**(a) Contingent liabilities**

| | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Claims against the Company not acknowledged as debts | | |
| Disputed demands under appeal not provided | | |
| - Income tax | 1,072.45 | 1,072.45 |
| - Sales tax | 4,293.80 | 4,394.26 |
| - Excise duty | 2,212.13 | 2,212.13 |
| - GST | 636.97 | - |

The Company is contesting these demands and the management, based on the advise from its tax consultants, believes that its position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for these demands raised as of March 31, 2023. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(b) Capital commitments

| | March 31, 2023 | March 31, 2022 |
|---------------------------------------|----------------|----------------|
| Capital commitments (net of advances) | 21.04 | 35.21 |

40. Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The primary function of the Committee is to assist the Board of Directors in formulating a CSR Policy and review the implementation and progress of the same from time to time. The CSR policies focus on enhancing the quality of life and economic well being of the communities in accordance with the Schedule VII of the Companies Act, 2013. The Company has spent towards various schemes of corporate social responsibility as prescribed under Section 135 of the Companies Act, 2013, as approved by the Board of Directors of the Company.

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Gross amount required to be spent by the Company during the year | 142.94 | 217.01 |

Amount spent during the year ended March 31, 2023

| | In cash | Yet to be paid in cash | Total |
|------------------------------------|---------|------------------------|--------|
| Construction/acquisition of assets | - | - | - |
| On purpose other than above | 135.46 | - | 135.46 |

Amount spent during the year ended March 31, 2022

| | In cash | Yet to be paid in cash | Total |
|------------------------------------|---------|------------------------|--------|
| Construction/acquisition of assets | - | - | - |
| On purpose other than above | 202.99 | - | 202.99 |

In case of Section 135(5) (Other than ongoing projects)

| | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Opening balance | 7.98 | 22.00 |
| Amount required to be spent during the year | 142.94 | 217.01 |
| Amount spent during the year | 135.46 | 202.99 |
| Closing balance * | 0.50 | 7.98 |

* Represents excess amount spent on the corporate social responsibility which will be utilised in subsequent period.

The Company does not have any ongoing project as per section 135(6) of the Companies Act, 2013.



41. Employee benefits

Defined contribution plans

The Company makes contributions for qualifying employees to Provident Fund, Employee state insurance and labour welfare fund. During the year, the Company recognised Rs. 213.58 lakhs (March 31, 2022 : Rs 230.18 lakhs) towards Provident fund contributions, Rs 8.13 lakhs (March 31, 2022 : Rs 14.66 lakhs) towards Employee State Insurance scheme contributions and Rs. 0.06 (March 31, 2022 : Rs 0.13 lakhs) lakhs towards Labour Welfare fund.

Post-employment obligation - Gratuity

The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972 ('Gratuity Act') under which an employee who has completed five years of service is entitled to specific benefit. The amount of benefit provided depends on the employee's length of service and salary at retirement/termination date. The plan is funded by the company.

The following tables summarises the amounts recognised in the standalone financial statements :

Balance Sheet

| | March 31, 2023 | March 31, 2022 |
|----------------------------|----------------|----------------|
| Defined benefit obligation | 731.30 | 673.94 |
| Plan assets | 612.39 | 460.78 |
| Net liability | 118.91 | 213.16 |
| Current | 74.45 | 86.69 |
| Non-current | 44.46 | 126.47 |

Changes in the present value of defined benefit obligation

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Balance at the beginning of the year | 673.94 | 523.48 |
| Service cost | 57.36 | 57.36 |
| Interest cost | 44.94 | 30.09 |
| Remeasurements - Actuarial loss/(gain) | 42.39 | 187.02 |
| Benefit paid | (87.33) | (124.01) |
| Balance at end of the year | 731.30 | 673.94 |

Changes in the fair value of plan assets

| | March 31, 2023 | March 31, 2022 |
|--------------------------------------|----------------|----------------|
| Balance at the beginning of the year | 460.78 | 506.26 |
| Contributions made | 201.67 | 11.85 |
| Interest income | 36.93 | 29.35 |
| Payments | (87.33) | (124.01) |
| Return on plan assets | 0.34 | 37.33 |
| Balance at end of the year | 612.39 | 460.78 |

Statement of profit and loss

| | March 31, 2023 | March 31, 2022 |
|-----------------------------|----------------|----------------|
| Service cost | 57.36 | 57.36 |
| Interest cost net of income | 8.01 | 0.74 |
| Total | 65.37 | 58.10 |

Other comprehensive (income)/loss

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Remeasurements - Actuarial loss/(gain) | 42.39 | 187.02 |
| Return on plan assets | (0.34) | (37.33) |
| Total | 42.05 | 149.69 |

Principal assumptions used in determining defined benefit obligation

| | March 31, 2023 | March 31, 2022 |
|--------------------------------|----------------|----------------|
| Discount rate | 7.50% | 7.13% |
| Expected return on plan assets | 7.13% | 6.52% |
| Salary escalation | 5.00% | 5.00% |
| Employee turnover | 10.00% | 10.00% |

The categories of plan assets as a percentage of the fair value of total plan assets are as follows :

| | March 31, 2023 | March 31, 2022 |
|-------------------------------------|----------------|----------------|
| Investment with insurance companies | 100.00% | 100.00% |

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.



41. Employee benefits - (Contd)

Sensitivity analysis of significant assumptions

The following table presents a sensitivity analysis to one of the relevant actuarial assumptions, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

| | March 31, 2023 | March 31, 2022 |
|--------------------------|----------------|----------------|
| Discount rate | | |
| 1% increase | (43.27) | (43.67) |
| 1% decrease | 48.87 | 49.56 |
| Salary escalation | | |
| 1% increase | 45.59 | 46.90 |
| 1% decrease | (41.89) | (42.27) |
| Employee turnover | | |
| 1% increase | 5.54 | 4.51 |
| 1% decrease | (6.17) | (5.05) |

Maturity profile of defined benefit obligation

| | March 31, 2023 | March 31, 2022 |
|------------------|----------------|----------------|
| Within 1 year | 78.52 | 50.67 |
| 1-2 year | 72.77 | 63.75 |
| 2-3 year | 78.48 | 57.15 |
| 3-4 year | 77.43 | 65.81 |
| 4-5 year | 32.98 | 54.16 |
| 5-10 year | 219.11 | 192.20 |
| 10 years onwards | 172.02 | 190.19 |

The average duration of the defined benefit obligation at the end of the reporting year is 9.12 years (March 31, 2022: 9.73 years).

(This space has intentionally been left blank)



42. Financial instruments

All financial assets and liabilities for which fair value is measured or disclosed in these standalone financial statements are categorised within the fair value hierarchy as below, based on the lowest level input that is significant to the fair value measurement as a whole :

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The carrying values and fair value measurement hierarchy of the Company's financial assets and financial liabilities are as below :

| | March 31, 2023 | | March 31, 2022 | |
|--|------------------|------------------|------------------|------------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| Financial assets measured at fair value through profit and loss | | | | |
| Current assets | | | | |
| Investments | 1,602.30 | 1,602.30 | 10,710.91 | 10,710.91 |
| | 1,602.30 | 1,602.30 | 10,710.91 | 10,710.91 |
| Financial assets measured at amortised cost | | | | |
| Non-current assets | | | | |
| Investments | 1,785.57 | 1,785.57 | 1,785.57 | 1,785.57 |
| Loans | 215.89 | 215.89 | 2,614.36 | 2,614.36 |
| Other financial assets | 2,590.03 | 2,590.03 | 665.71 | 665.71 |
| Current assets | | | | |
| Trade receivables | 5,868.23 | 5,868.23 | 5,446.95 | 5,446.95 |
| Cash and cash equivalents | 214.01 | 214.01 | 147.50 | 147.50 |
| Other bank balances | 149.31 | 149.31 | 4,247.50 | 4,247.50 |
| Loans | 10.00 | 10.00 | 56.74 | 56.74 |
| Other financial assets | 15,568.74 | 15,568.74 | 158.79 | 158.79 |
| | 26,401.78 | 26,401.78 | 15,123.12 | 15,123.12 |
| Financial liabilities measured at amortised cost | | | | |
| Non-current liabilities | | | | |
| Lease liabilities | 921.21 | 921.21 | 547.88 | 547.88 |
| Other financial liabilities | 5,781.90 | 5,781.90 | 5,361.77 | 5,361.77 |
| Current liabilities | | | | |
| Borrowings | 1,660.91 | 1,660.91 | 687.56 | 687.56 |
| Lease liabilities | 413.24 | 413.24 | 454.78 | 454.78 |
| Trade payables | 12,027.30 | 12,027.30 | 11,670.22 | 11,670.22 |
| Other financial liabilities | 917.38 | 917.38 | 1,085.21 | 1,085.21 |
| | 21,721.94 | 21,721.94 | 19,807.42 | 19,807.42 |

43. Financial risk management objectives and policies

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse and set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company's Board of Directors is assisted in its oversight role by the internal audit who undertakes regular reviews of risk management controls and procedures, the results of which are reported to the Board of Directors. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(a) Market risk

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates which will affect the Company's income or the value of its financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency payables.



43. Financial risk management objectives and policies (contd.)

i. Currency risk

The Company's exposure to currency risk as at year end is as below :

| | March 31, 2023 | | | March 31, 2022 | | |
|-------------------------|----------------|------------------|-----------|----------------|------------------|-----------|
| | Currency | Foreign currency | Rs. Lakhs | Currency | Foreign currency | Rs. Lakhs |
| Trade payables | USD | 119,988 | 99.59 | USD | 360,732 | 272.58 |
| | EUR | 31,113 | 27.03 | EUR | 40,529 | 34.89 |
| Advances from customers | USD | - | - | USD | 2,242 | 1.70 |
| Advance to suppliers | USD | - | - | USD | 53,257 | 40.81 |
| | EUR | - | - | EUR | 6,223 | 5.42 |
| Trade receivables | USD | 27,732 | 22.39 | USD | 24,859 | 18.70 |

Basis point

+5%

-5%

| | March 31, 2023 | March 31, 2022 |
|------------------------------------|----------------|----------------|
| Effect on profit before tax | | |
| | (5.21) | (12.21) |
| | 5.21 | 12.21 |

ii. Interest rate risk

Interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The Company's borrowings are at fixed and floating interest rate and are carried at amortised cost.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's loss before tax is affected through the impact on floating rate borrowings, as follows :

Basis point

+1%

-1%

| | March 31, 2023 | March 31, 2022 |
|------------------------------------|----------------|----------------|
| Effect on profit before tax | | |
| | (10.11) | - |
| | 10.11 | - |

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables, loans and other assets.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating review and individual credit limits are defined in accordance with this assessment. The Company regularly monitors its outstanding customer receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The loans to subsidiaries are unsecured loans. The management makes an assessment, of the credit risk on the loans based on the evaluation of the subsidiary's ability to repay the loans, as at date of reporting. The Company uses expected credit loss model to assess the impairment loss. Based on an evaluation of the credit risk of the subsidiaries, loss allowance on the loans and on interest accrued thereon have been recognised.

Cash and cash equivalents, investments and other bank balances are neither past due nor impaired. Cash and cash equivalents include short-term highly liquid fixed deposits with banks which having maturity less than three months.

The movement in respect of allowance for expected credit losses is as follows :

| | Trade receivables | | Loans & other financial assets | | Other assets | |
|--|-------------------|-----------------|--------------------------------|----------------|----------------|----------------|
| | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 |
| At the beginning of the year | 1,592.89 | 1,045.17 | 434.90 | - | 24.92 | - |
| Allowance created/(reversed) during the year | 73.53 | 547.72 | 2,580.97 | 434.90 | - | 24.92 |
| At the end of the year | 1,666.42 | 1,592.89 | 3,015.87 | 434.90 | 24.92 | 24.92 |



43. Financial risk management objectives and policies (contd.)

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below provides details regarding the undiscounted contractual maturities of financial liabilities :

| | Less than 1 year | 1 to 5 years | More than 5 years | Total |
|-----------------------------|------------------|-----------------|-------------------|------------------|
| March 31, 2023 | | | | |
| Borrowings | 1,660.91 | - | - | 1,660.91 |
| Lease liabilities | 430.23 | 1,073.13 | 100.94 | 1,604.30 |
| Trade payables | 12,027.30 | - | - | 12,027.30 |
| Other financial liabilities | 917.38 | 5,781.90 | - | 6,699.28 |
| Total | 15,035.82 | 6,855.03 | 100.94 | 21,991.79 |
| March 31, 2022 | | | | |
| Borrowings | 687.56 | - | - | 687.56 |
| Lease liabilities | 474.40 | 554.08 | 162.18 | 1,190.66 |
| Trade payables | 11,670.22 | - | - | 11,670.22 |
| Other financial liabilities | 1,085.21 | 5,361.77 | - | 6,446.98 |
| Total | 13,917.39 | 5,915.85 | 162.18 | 19,995.42 |

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no significant liquidity risk is perceived.

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Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

44. Income tax

Income tax expense in the statement of profit and loss consists of:

| Statement of profit or loss | March 31, 2023 | March 31, 2022 |
|---|-----------------|-----------------|
| Current tax | 647.68 | 475.96 |
| Deferred tax charge/(credit) | (1,059.70) | (685.08) |
| Income tax expense/(credit) | (412.02) | (209.12) |
| Tax relating to earlier years | (45.49) | (130.20) |
| Income tax expense/(credit) reported in the statement of profit and loss | (457.51) | (339.32) |
| Income tax recognised in other comprehensive income/(loss) | | |
| - Tax arising on income and expense recognised in other comprehensive income/(loss) | 10.58 | 37.68 |
| Total | 10.58 | 37.68 |

The reconciliation between the provision for income tax of the Company and amounts computed by applying the Indian income tax rate to profit/(loss) before taxes is as follows:

| | March 31, 2023 | March 31, 2022 |
|---|-----------------|-----------------|
| Profit/(Loss) before tax | (1,774.96) | 18.64 |
| Enacted income tax rate in India | 25.17% | 25.17% |
| Computed expected tax expense/(credit) | (446.76) | 4.69 |
| Effect of: | | |
| (Reversal)/Creation of deferred tax liability on goodwill | - | (297.74) |
| Reversal of provision for current tax relating to earlier year | (45.49) | (130.20) |
| Tax charge on disallowance of corporate social responsibility expenditure | 34.10 | 51.09 |
| Others | 0.64 | 32.84 |
| Total income tax expense | (457.51) | (339.32) |

Deferred tax

Deferred tax relates to the following:

| | Balance Sheet | | Statement of Profit and Loss | |
|---|-------------------|-------------------|------------------------------|-----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Property, plant and equipment | (1,588.11) | (1,718.31) | (130.20) | (56.64) |
| Right of use assets | (594.64) | (516.30) | 78.34 | 131.40 |
| Goodwill | (231.58) | (231.58) | - | (297.79) |
| Marked to market on mutual fund investment | - | (143.47) | (143.47) | 52.92 |
| Gross deferred tax liability | (2,414.33) | (2,609.66) | (195.33) | (170.11) |
| Deferred tax asset | | | | |
| Temporary differences arising on account of disallowance under section 36(1)(vii) | 1,185.98 | 524.21 | (661.77) | (261.14) |
| Section 43B disallowance | 72.45 | 69.65 | (2.80) | (69.65) |
| Section 35DD disallowance on amalgamation expenses | 4.45 | 12.62 | 8.17 | 8.17 |
| Lease liabilities | 335.89 | 252.35 | (83.54) | (140.06) |
| Provision for gratuity | 29.93 | 52.29 | 22.36 | (52.29) |
| Provision for leave encashment | 18.11 | - | (18.11) | - |
| Marked to market on mutual fund investment | 128.68 | - | (128.68) | - |
| Net deferred tax assets (net) | (638.84) | (1,698.54) | (1,059.70) | (685.08) |
| Net deferred tax credit/(charge) | | | (1,059.70) | (685.08) |



45. Ratio analysis and its elements

| Ratio | Numerator | Denominator | March 31, 2023 | March 31, 2022 | % change | Reason for variance exceeding 25% as compared to the preceding period |
|---------------------------------|--|---|----------------|----------------|----------|---|
| Current ratio | Current assets | Current liabilities | 2.46 | 2.54 | -3% | |
| Debt equity ratio | Total debt | Shareholder's equity | 0.03 | 0.01 | 149% | Due to increase in borrowings & incurring loss in current year leading to the deterioration of the ratio. |
| Debt service coverage ratio | Earnings for debt service = Net profits after taxes + Non cash operating | Debt service = Interest and lease payments + Principal repayments | 2.99 | 3.35 | -11% | |
| Return on equity ratio | Net profits after taxes - Preference dividend | Average shareholder's equity | -0.03 | 0.01 | -480% | Due to increase in loss in current year leading to the deterioration of the ratio. |
| Inventory turnover ratio | Cost of goods sold | Average inventory | 4.97 | 4.01 | 24% | |
| Trade receivable turnover ratio | Net credit sales = Gross credit sales - sales return | Average trade receivable | 14.90 | 14.14 | 5% | |
| Trade payable turnover ratio | Net credit purchases = Gross credit purchases - purchase return | Average trade payables | 6.11 | 6.95 | -12% | |
| Net capital turnover ratio | Net sales = Total sales - sales return | Working capital = Current assets - Current liabilities | 3.42 | 3.32 | 3% | |
| Net profit ratio | Net profit | Net sales = Total sales - Sales return | -0.02 | 0.00 | -437% | Due to increase in loss in current year leading to the deterioration of the ratio. |
| Return on capital employed | Earnings before interest and taxes | Capital employed = Tangible net worth + Total debt + Deferred tax | -0.03 | 0.01 | -572% | Due to increase in loss in current year leading to the deterioration of the ratio. |
| Return on investment | Interest (Finance income) + profit on sale of | Investment | 0.06 | 0.04 | 57% | Due to sale of investments in current year leading to the improvement of the ratio. |

46. Other statutory information

- (i) The Company do not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
(ii) The Company does not have any transactions with companies struck off except as follows:

| Name of the Struck off Company | Nature of transaction with struck off company | Amount Receivable |
|---------------------------------------|---|-------------------|
| Marz Furniture Center Private Limited | Sale of Furniture | 2.70 |

- (iii) The Company do not have any charges or satisfaction which is yet to be registered with the Registrar of Companies ("ROC") beyond the statutory period.
(iv) The Company have not traded or invested in crypto currency or virtual currency during the financial year.
(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
(vii) The Company have not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

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Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2023

All amounts in Rs. Lakhs, unless otherwise stated

47. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves. The primary objective of the Company's capital management is to maximize the shareholders value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or may issue new shares. The Company includes within net debt, borrowings net of cash and cash equivalents and other bank balances.

| | March 31, 2023 | March 31, 2022 |
|---|------------------|-------------------|
| Borrowings | 1,660.91 | 687.56 |
| Lease liabilities | 1,334.45 | 1,002.66 |
| Less: Cash and cash equivalents and other bank balances | (363.32) | (4,395.00) |
| Net debt (A) | 2,632.04 | (2,704.78) |
| Equity | 47,809.96 | 49,342.09 |
| Total equity capital (B) | 47,809.96 | 49,342.09 |
| Total debt and equity (C)=(A)+(B) | 50,442.00 | 46,637.31 |
| Gearing ratio (A)/(C) | 5% | -6% |

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

48. Subsequent to the Balance sheet date, on July 17, 2023, Sheela Foam Limited has entered into Share purchase agreement for acquiring shares held by Kanara Consumer Products Limited (formerly known as Kulron Limited) and Kurlon Trading and Invest management Private Limited in the company ("SPA"). The aforesaid transaction is subject to fulfillment of prescribed conditions as mentioned in SPA.

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Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

49. The comparative figures have been regrouped/reclassified, where necessary, to confine to this period's classification as per the amendments in Schedule III to the Companies Act, 2013, which are effective April 1, 2022

As per our report of even date

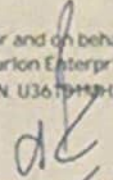
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004


per Rajeev Kumar
Partner
Membership No. 213803

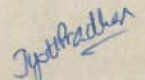


Place: Bengaluru
Date: August 29, 2023

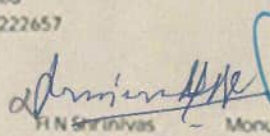
For and on behalf of Board of Directors of
Kurlon Enterprise Limited
CIN: U36701MH2011PLC222657


Tonse Sudhakar Pal
Managing Director
DIN: 00043298

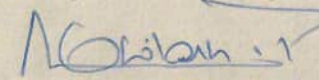
Place: San Diego, USA
Date: August 29, 2023


Jyothi Ashish Pradhan
Chief Executive Officer

Place: Bengaluru
Date: August 29, 2023


H N Srinivas
Director
DIN: 07178853

Place: Bengaluru
Date: August 29, 2023


Abhilash Padmanabh Kamti
Chief Financial Officer

Place: Bengaluru
Date: August 29, 2023



INDEPENDENT AUDITOR'S REPORT

To the Members of Kurlon Enterprise Limited

Report on the Audit of the Standalone Financial Statements**Opinion**

We have audited the accompanying standalone financial statements of Kurlon Enterprise Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive income/(loss), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss including other comprehensive income/(loss), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income/(loss), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books except that the Company does not have server physically located in India for the daily backup of the books of account and other books and papers maintained in electronic mode.
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income/(loss), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;



- (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 39 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 46 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 46 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- v. As disclosed in note 15(g) to the standalone financial statements, the final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.


As stated in note 15(g) to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For S.R.Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004


per **Rajeev Kumar**

Partner

Membership Number: 213803



UDIN: 23213803BGXAML4710

Place of Signature: Bangalore

Date: August 29, 2023

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date on the Standalone Financial Statements of Kurlon Enterprise Limited

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification to cover all the items in a phased manner over period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties of Free hold land included in property, plant and equipment are held in the name of the Company and in respect of immovable properties of land and buildings that have taken on lease and disclosed as Right-of-use assets in the standalone financial statements, the lease agreements are in the name of the Company.
- (d) The Company has not revalued its property, plant and equipment or intangible assets (including Right-of - use assets) during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder as disclosed in Note 46 to the standalone financial statements.
- (ii)(a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory have not been noted during the physical verification by the management. There are no inventories lying with third parties.
- (b) As disclosed in Note 21 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks in respect of gross value of collateral security (excluding the impact of period end cut off adjustments) are in agreement with the books of accounts of the Company.



- (iii)(a) During the year, the Company has provided loans, advances in the nature of loans to companies and other parties as follows:

| Particulars | Loans (Rs. in Lakhs) | Advances in the nature of Loans (Rs. in Lakhs) |
|---|----------------------|--|
| Aggregate amount granted/provided during the year | | |
| - Subsidiaries | 883.12 | - |
| - Others | - | 63.83 |
| Balance outstanding(principal) as at March 31, 2023 | | |
| - Subsidiaries * | 215.89 | - |
| - Others | 10.00 | 54.24 |

* The aforesaid Balance outstanding as at balance sheet date in respect of subsidiaries is net of provision made for doubtful recovery of loans given to subsidiaries amounting to Rs 2,973.75 lakhs. Also, refer note 8 and 9 in the standalone financial statements.

The Company has not provided Guarantees or securities to companies, firms, Limited Liability Partnerships or any other parties.

- (b) During the year, the terms and conditions of the grant of loans to subsidiaries and advances in nature of loans given to other parties (i.e., employees) are not prejudicial to the Company's interest. Other than above, the Company has not made investments, not provided Guarantees or not provided securities to companies, firms, Limited Liability Partnerships or any other parties. Also refer note 8 and 9 in the standalone financial statements as regards to interest rate, accrual of interest and terms of repayment.
- (c) The Company has granted loans and advances in the nature of loans during the year to companies or any other parties where the schedule of repayment of principal and payment of interest has been stipulated. Loans provided to subsidiaries are repayable on demand along with interest and the Company has not demanded the same during the year. Also, refer note 8 and 9 in the standalone financial statements.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies or other parties which are overdue for more than ninety days. Also, refer note 8 and 9 in the standalone financial statements.
- (e) There were no loans granted to subsidiary companies which had fallen due during the year. There were no loans or advance in the nature of loans granted to companies (other than subsidiaries) or other parties which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties. Also, refer note 8 and 9 in the standalone financial statements.



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- (f) As disclosed in note 8 in the standalone financial statements, the Company has granted loans which are repayable on demand to subsidiary companies. Following are the details of the aggregate amount of loans granted to related parties as defined in clause (76) of section 2 of the Companies Act, 2013:

| | Related Parties (Amount Rs' lakhs) |
|--|---------------------------------------|
| Aggregate amount of loans/ advances in nature of loans - Repayable on demand (Gross amount) | 3,189.64 |
| Percentage of loans/ advances in nature of loans to the total loans | 99.70% |

Except for the above, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies or any other parties. Also, refer note 8 and 9 in the standalone financial statements.

- (iv) The provisions of section 185 and 186 of the Act in respect of loans and investments have been complied with by the Company. There are no guarantees and security in respect of which provisions of sections 186 of the Act are applicable. Also, refer note 8 and 9 in the standalone financial statements.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of mattresses and other products and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii)(a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



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- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

| Name of the Statute | Nature of Dues | Amount Disputed (Rs. in Lakhs) * | Period to which the amount relates to | Forum where Dispute is Pending |
|--|--|----------------------------------|---------------------------------------|---|
| The Central Excise Act, 1944 | Excise Duty | 1,440.18 | 2011-14 | Central Excise and Service Tax Appellate Tribunal |
| The Income Tax act, 1961 | Income tax | 1,072.45 | 2017-18 | Commissioner Of Income Tax (Appeals) |
| Goods and Services Tax Act, 2018 | Goods and Services Tax | 546.15 | 2017-18 | Office of Deputy Commissioners of State Tax Jurisdiction, Mumbai, Gujarat, Uttarakhand and Pune |
| | | 5.37 | 2018-19 | |
| | | - | 2020-21 | |
| | | 0.40 | 2022-23 | |
| Value Added Tax, Sales Tax and Entry Tax | Value Added Tax, Sales Tax and Entry Tax | 24.97 | 2014-15 | The Joint Commissioner - Commercial Taxes |
| | | 3379.28 | 2014-15 | |
| | | 252.42 | 2015-16 | |
| | | 382.14 | 2016-17 | |
| | | 101.30 | 2017-18 | |

* net of Rs 238.73 lakhs paid under protest.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year as disclosed in Note 46 to the standalone financial statements. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix)(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.



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- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associate or joint venture.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries companies. The company does not have any associate or joint venture.
- (x)(a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)(a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor, secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii)(a) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- (c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.



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- (xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in Note 45 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx)(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note 40 to the standalone financial statements.



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- (b) There are no ongoing projects and hence the requirement to report on clause (xx)(b) of the Order is not applicable to the Company. This matter has been disclosed in note 40 to the standalone financial statements.

For **S.R.Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Rajeev Kumar**

Partner

Membership Number: 213803

UDIN: 23213803BGXAML4710

Place of Signature: Bangalore

Date: August 29, 2023



ANNEXURE '2' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KURLON ENTERPRISE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Kurlon Enterprise Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R.Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Rajeev Kumar

Partner

Membership Number: 213803

UDIN: 23213803BGXAML4710



Place of Signature: Bangalore

Date: August 29, 2023

Kurlon Enterprise Limited
 Standalone Balance Sheet as at March 31, 2023
 All amounts in Rs. Lakhs, unless otherwise stated

| | Notes | March 31, 2023 | March 31, 2022 |
|--|-------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 4 | 18,585.69 | 20,706.94 |
| Capital work-in-progress | 4 | 98.26 | 198.26 |
| Goodwill | 5 | 2,103.16 | 2,103.16 |
| Other intangible assets | 5 | 129.77 | 263.75 |
| Right of use assets | 6 | 2,362.69 | 2,051.16 |
| Financial assets | | | |
| Investments | 7 | 1,785.57 | 1,785.57 |
| Loans | 8 | 215.89 | 2,614.36 |
| Other financial assets | 9 | 2,590.03 | 665.71 |
| Income tax assets (net) | 10 | 1,496.05 | 1,445.98 |
| Other non-current assets | 11 | 1,510.85 | 2,149.04 |
| | | <u>30,877.96</u> | <u>34,183.93</u> |
| Current assets | | | |
| Inventories | 12 | 7,890.94 | 11,540.36 |
| Financial assets | | | |
| Investments | 7 | 1,602.30 | 10,710.91 |
| Trade receivables | 13 | 5,868.23 | 5,446.95 |
| Cash and cash equivalents | 14 | 214.01 | 147.50 |
| Other bank balances | 14 | 149.31 | 4,247.50 |
| Loans | 8 | 10.00 | 56.74 |
| Other financial assets | 9 | 15,568.74 | 158.79 |
| Other current assets | 11 | 10,180.13 | 6,056.71 |
| | | <u>41,483.66</u> | <u>38,365.46</u> |
| Total | | <u>72,361.62</u> | <u>72,549.39</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 15 | 1,827.62 | 1,827.62 |
| Other equity | 16 | 45,982.34 | 47,514.47 |
| | | <u>47,809.96</u> | <u>49,342.09</u> |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Lease liabilities | 17 | 921.21 | 547.88 |
| Other financial liabilities | 18 | 5,781.90 | 5,361.77 |
| Provisions | 19 | 377.03 | 500.79 |
| Deferred tax liabilities (net) | 20 | 638.84 | 1,698.54 |
| | | <u>7,718.98</u> | <u>8,108.98</u> |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 21 | 1,660.91 | 687.56 |
| Lease liabilities | 17 | 413.24 | 454.78 |
| Trade payables | 22 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 313.09 | 355.45 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 11,714.21 | 11,314.77 |
| Other financial liabilities | 18 | 917.38 | 1,085.21 |
| Provisions | 19 | 632.68 | 531.21 |
| Other current liabilities | 23 | 668.18 | 669.34 |
| Liabilities for current tax (net) | 24 | 512.99 | |
| | | <u>16,832.68</u> | <u>15,098.32</u> |
| Total | | <u>72,361.62</u> | <u>72,549.39</u> |
| Summary of significant accounting policies | 3 | | |

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm Registration Number: 101049W/E300004

Rajeev Kumar
 Partner
 Membership No. 213803



For and on behalf of Board of Directors of
 Kurlon Enterprise Limited
 CIN: U36101ML2011PLC222657

Tonise Sushakar Pai
 Managing Director
 DIN: 00043298

Place: San Diego, USA
 Date: August 29, 2023

Jyothi Ashish Pradhan
 Chief Executive Officer

Place: Bengaluru
 Date: August 29, 2023

R N Shrinivas
 Director
 DIN: 07178853

Monu Kumar
 Company Secretary

Place: Bengaluru
 Date: August 29, 2023

Place: Bengaluru
 Date: August 29, 2023

Abhilash Padmanabh Kamli
 Chief Financial Officer

Place: Bengaluru
 Date: August 29, 2023



Place: Bengaluru
 Date: August 29, 2023

Kurlon Enterprise Limited
 Standalone Statement of Profit and Loss for the year ended March 31, 2023
 All amounts in Rs. Lakhs, unless otherwise stated

| | Notes | March 31, 2023 | March 31, 2022 |
|---|-------|-------------------|------------------|
| Income | | | |
| Revenue from operations | 25 | 84,287.22 | 77,225.58 |
| Other income | 26 | 665.67 | 966.79 |
| Total income | | 84,952.89 | 78,192.37 |
| Expenses | | | |
| Cost of raw material consumed | 27 | 37,930.92 | 36,337.47 |
| Purchase of traded goods | 28 | 9,079.51 | 8,749.41 |
| Changes in inventories of finished goods, work-in-progress and traded goods | 29 | 1,311.94 | 341.82 |
| Employee benefit expense | 30 | 5,260.55 | 5,144.30 |
| Finance costs | 31 | 376.40 | 286.96 |
| Depreciation and amortisation expense | 32 | 2,532.52 | 2,511.98 |
| Other expenses | 33 | 27,680.34 | 24,383.71 |
| Total expenses | | 84,172.18 | 77,755.65 |
| Profit before exceptional items and tax | | 780.71 | 436.72 |
| Exceptional items | 33(A) | 2,555.67 | 418.08 |
| Profit/(Loss) before tax | | (1,774.96) | 18.64 |
| Tax expense | 44 | | |
| Current tax | | 647.68 | 475.96 |
| Tax relating to earlier years | | (45.49) | (130.20) |
| Deferred tax (credit)/charge | | (1,059.70) | (685.08) |
| Total tax expense | | (457.51) | (339.32) |
| Profit/(Loss) for the year | | (1,317.45) | 357.96 |
| Other comprehensive income/(loss), net of tax | | | |
| Items that will not be reclassified subsequently to profit or loss in subsequent period | | | |
| Re-measurement gain/(loss) on defined benefit plan | | (42.05) | (149.68) |
| Income tax effect | | 10.58 | 37.68 |
| Total other comprehensive income/(loss) for the year | | (31.47) | (112.00) |
| Total comprehensive income/(loss) for the year | | (1,348.92) | 245.96 |
| Earnings per equity share (EPS): | | | |
| Basic and Diluted [Nominal value of shares Rs. 5 (March 31, 2022 : Rs. 5)] | 34 | (3.60) | 0.98 |
| Summary of significant accounting policies | 3 | | |

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm Registration Number: 101049W/E300004

per Rajeev Kumar
 Partner
 Membership No.: 213803



Place: Bengaluru
 Date: August 29, 2023

For and on behalf of Board of Directors of
 Kurlon Enterprise Limited
 CIN: U36101MH2011PLC222657

Tonse Sudhakar Pai
 Managing Director
 DIN: 00043298

Place: San Diego, USA
 Date: August 29, 2023

Jyothi Ashish Pradhan
 Chief Executive Officer

Place: Bengaluru
 Date: August 29, 2023

H N Shrinivas
 Director
 DIN: 07178853

Place: Bengaluru
 Date: August 29, 2023

Abhilash Padmanabh Kamti
 Chief Financial Officer

Place: Bengaluru
 Date: August 29, 2023

Monu Kumar
 Company Secretary

Place: Bengaluru
 Date: August 29, 2023



Kurlon Enterprise Limited
 Standalone Cash Flow Statement for the year ended March 31, 2023
 All amounts in Rs. Lakhs, unless otherwise stated

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| A. Cash flow from operating activities | | |
| Profit before exceptional items and tax | 780.71 | 436.72 |
| Non cash adjustment to reconcile profit before tax to net cash flows | | |
| Depreciation and amortisation expense | 2,532.52 | 2,511.98 |
| Loss on sale of property, plant and equipment | 291.72 | 152.21 |
| Advance to suppliers written off | 0.10 | |
| Bad debts written off | 123.08 | 130.90 |
| Gain on modification of lease | (11.18) | (0.92) |
| Provision for bad and doubtful debts | 73.78 | 594.68 |
| Provision for doubtful advances | | 24.92 |
| Provision for warranty | 363.07 | 328.80 |
| Fair value gain on mutual fund at fair value through profit or loss | 511.28 | (125.48) |
| Gain on sale of investments in mutual funds | (491.04) | (355.41) |
| Liabilities no longer required written back | (16.82) | (40.48) |
| Interest expenses | 190.00 | 169.30 |
| Interest income | (105.10) | (263.60) |
| Operating cash flow before working capital changes | 4,242.12 | 3,563.62 |
| Movements in working capital : | | |
| Increase/(decrease) in trade payables | 373.80 | 3,114.04 |
| Increase/(decrease) in other financial liabilities | 252.30 | 198.72 |
| Increase/(decrease) in other liabilities | (147.25) | (45.28) |
| Increase/(decrease) in provisions | (416.83) | (262.54) |
| Decrease/(increase) in inventories | 3,649.42 | (435.28) |
| Decrease/(increase) in trade receivables | (495.37) | (568.29) |
| Decrease/(increase) in loans | (110.46) | (712.50) |
| Decrease/(increase) in other financial assets | (17,334.27) | 142.12 |
| Decrease/(increase) in other assets | (2,847.04) | 360.89 |
| Cash (used in) generated from operations | (12,833.58) | 5,355.50 |
| Direct taxes paid (net of refunds) | (139.27) | (1,110.38) |
| Net cash flow (used in) from operating activities (A) | (12,972.85) | 4,245.12 |
| B. Cash flows from investing activities | | |
| Purchase of property, plant and equipment, including capital work in progress and capital advances | (1,513.03) | (2,195.69) |
| Investment in bank deposits | | (3,790.00) |
| Redemption in bank deposits | 4,090.65 | 3,563.05 |
| Purchase of investments | (7,803.66) | (8,999.58) |
| Sale of investments | 16,892.03 | 9,901.28 |
| Proceeds from sale of property, plant and equipment | 1,188.02 | 17.91 |
| Movement in earmarked balances, net | 7.54 | (1.60) |
| Interest received | 105.10 | 236.53 |
| Net cash flow from (used in) investing activities (B) | 12,966.65 | (1,268.10) |
| C. Cash flows from financing activities | | |
| Net (repayment of)/proceeds from short-term borrowings | 973.35 | (499.68) |
| Payment of principal portion of lease liabilities | (527.43) | (395.35) |
| Interest paid | (190.00) | (146.71) |
| Dividend paid | (183.21) | (1,827.61) |
| Net cash flow (used in) financing activities (C) | 72.71 | (2,869.35) |
| Net increase/(decrease) in cash and cash equivalents (A + B + C) | 66.51 | 107.67 |
| Cash and cash equivalents at the beginning of the year | 147.50 | 39.83 |
| Cash and cash equivalents at the end of the year | 214.01 | 147.50 |



Kurlon Enterprise Limited
 Standalone Cash Flow Statement for the year ended March 31, 2023
 All amounts in Rs. Lakhs, unless otherwise stated

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Components of cash and cash equivalents as at end of the year | | |
| Cash in hand | 4.53 | 3.13 |
| Balances with banks | | |
| In current accounts | 209.48 | 144.37 |
| Total cash and cash equivalents (Refer Note 14) | <u>214.01</u> | <u>147.50</u> |
| Non-cash investing and financing activities | | |
| Acquisitions to right-of-use assets (Refer Note 6) | 2,596.17 | 1,005.00 |

Refer Note 21 for change in liabilities arising from financing activities

Summary of significant accounting policies

3

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm Registration Number 101049W/E/300004

Rajeev Kumar
 per Rajeev Kumar
 Partner
 Membership No. 213803



For and on behalf of Board of Directors of
 Kurlon Enterprise Limited
 CIN: U36101MH2011PLC222657

dk
 Tomse Sridhakar Pal
 Managing Director
 DIN: 00043298

Place: San Diego, USA
 Date: August 29, 2023

H N Shrivastava
 H N Shrivastava
 Director
 DIN: 07178853

Place: Bengaluru
 Date: August 29, 2023

Mohan Kumar
 Mohan Kumar
 Company Secretary

Place: Bengaluru
 Date: August 29, 2023

Jyoti Pradhan
 Jyoti Ashish Pradhan
 Chief Executive Officer

Place: Bengaluru
 Date: August 29, 2023

Abhilash Padmanabh Kamti
 Abhilash Padmanabh Kamti
 Chief Financial Officer

Place: Bengaluru
 Date: August 29, 2023



Place: Bengaluru
 Date: August 29, 2023

Kurion Enterprise Limited
Statement of Changes in Equity for year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

(a) Equity share capital
Equity share of Rs. 5 each (March 31, 2022 Rs. 5)
issued, subscribed and fully paid

| | March 31, 2023 | | March 31, 2022 | |
|------------------------------|----------------|----------|----------------|----------|
| | Nos. | Amount | Nos. | Amount |
| At the beginning of the year | 36,552,261 | 1,827.62 | 36,552,261 | 1,827.62 |
| Changes during the year | | | | |
| At the end of the year | 36,552,261 | 1,827.62 | 36,552,261 | 1,827.62 |

(b) Other equity

| | Securities premium | General reserve | Retained earnings | Total |
|-----------------------------------|--------------------|-----------------|-------------------|------------|
| Balance as at April 01, 2021 | 14,860.49 | 1,286.11 | 32,949.52 | 49,096.12 |
| Profit for the year | | | 357.96 | 357.96 |
| Other comprehensive income/(loss) | | | (112.00) | (112.00) |
| Dividend paid | | | (1,827.61) | (1,827.61) |
| Balance as at March 31, 2022 | 14,860.49 | 1,286.11 | 31,367.87 | 47,514.47 |
| Profit for the year | | | (1,317.45) | (1,317.45) |
| Other comprehensive income/(loss) | | | (31.47) | (31.47) |
| Dividend paid | | | (183.21) | (183.21) |
| Balance as at March 31, 2023 | 14,860.49 | 1,286.11 | 29,835.74 | 45,982.34 |

Securities premium - This reserve is used to record premium on issue of shares and can be utilized only for limited purposes in accordance with the provisions of the Companies Act, 2013.

General reserve - Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilized only in accordance with the specific requirements of Companies Act, 2013.

Retained earnings - Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number 101049W/E/300004

per Rajeev Kumar
Partner
Membership No. 213803



For and on behalf of Board of Directors of
Kurion Enterprise Limited
CIN: U36101MH2011PLC222657

Tomse Sudhekar Pal
Managing Director
DIN: 00043298

Place: San Diego, USA
Date: August 29, 2023

Jyothi Ashish Pradhan
Chief Executive Officer

Place: Bengaluru
Date: August 29, 2023

Abhilash Padmanabh Kamti
Director
DIN: 07178853

Place: Bengaluru
Date: August 29, 2023

Abhilash Padmanabh Kamti
Chief Financial Officer

Place: Bengaluru
Date: August 29, 2023

Mohit Kumar
Company Secretary

Place: Bengaluru
Date: August 29, 2023



Place: Bengaluru
Date: August 29, 2023

Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2023

All amounts in Rs. Lakhs, unless otherwise stated

1. Corporate information

Kurlon Enterprise Limited (the 'Company') was incorporated in Mumbai, India on October 03, 2011, as a public limited company under the Companies Act. The Company is a subsidiary of Kurlon Limited and is engaged in the business of manufacturing/trading in diverse areas such as rubberized coir, latex foam, polyurethane foam, bonded foam, pillows, spring mattresses, furniture, furnishings, sofas etc.

The Company's standalone financial statements for the year ended March 31, 2023, were approved by Board of Directors on August 29, 2023.

1.1 Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable.

This note provides a list of the significant accounting policies adopted in the preparation of the standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

The standalone financial statements have been prepared on an accrual basis under the historical cost convention except for the following that are measured at fair value as required by relevant Ind AS:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

These standalone financial statements are presented in Indian Rupee, which is also functional currency of the Company. All the values are rounded off to the nearest lakhs, unless otherwise indicated.

The Company has prepared the standalone financial statements on the basis that it will continue to operate as a going concern.

(a) Measurement of fair values

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable



-Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(c) Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and liabilities at the date of the standalone financial statements and reported amounts of income and expenses during the period. Actual results may differ from these estimates.

Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding estimate. Changes in estimate are reflected in the standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

Judgements:

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 3.1 and Note 3.2 - Useful life of property, plant and equipment and intangible assets;
- Note 3.8 - Measurement of defined benefit obligations: key actuarial assumptions.
- Note 3.9 - Provision for income tax and valuation of deferred tax assets/liabilities.
- Note 3.14 - Valuation of financial instrument; and
- Note 3.15 - Lease classification and determination of lease term;



Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2023

All amounts in Rs. Lakhs, unless otherwise stated

Assumption and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Note 2(a) - Fair value measurement
- Note 3.3 - Impairment of financial assets
- Note 3.3 - Impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;
- Note 3.9 - Recognition of deferred tax assets: based upon likely timing and the level of future taxable profits together with future tax planning strategies;
- Note 3.11 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

2. Summary of significant accounting policies

3.1. Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at historical cost less accumulated depreciation, and accumulated impairment loss, if any. Historical cost comprises of the purchase price including duties and non-refundable taxes, borrowing cost if capitalisation criteria's are met, directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management and initial estimate of decommissioning, restoring and similar liabilities.

Capital work in progress is stated at cost, net of accumulated impairment loss if any.

Subsequent costs related to an item of property, plant and equipment are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are recognised in statement of profit and loss during the reporting period when they are incurred.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Depreciation is calculated using the straight-line method over their estimated useful lives as follows:

| Asset description | Useful life in years as per Schedule II | Useful life as per Company |
|------------------------|---|----------------------------|
| Buildings | 30 | 30 |
| Plant and equipment | 15 | 10 and 15 |
| Furniture and fixtures | 10 | 10 |
| Office equipment | 5 | 5 |
| Vehicles | 8 | 8 |
| Computers | 3 and 6 | 3 and 6 |

The useful lives have been determined based on managements' internal technical assessment, which in certain instances are different from those specified by Schedule II to the Act, in order to reflect the actual usage of the assets.

The assets residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.



3.2. Goodwill and other intangible assets

Recognition and measurement

Goodwill

Goodwill being the excess of the aggregate consideration transferred over the net identifiable assets acquired and liabilities assumed, is stated at cost, less impairment, if any. Any goodwill that arises from business combination is tested for impairment annually.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

An item of intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

| Asset description | Useful life in years |
|-------------------|----------------------|
| Computer software | 6 |

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of the each financial year and the amortisation period is revised to reflect the changed pattern, if any.

3.3. Impairment

Impairment of financial assets

In accordance with Ind AS - 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS - 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

Trade receivables or contract revenue receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.



Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2023

All amounts in Rs. Lakhs, unless otherwise stated

Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's cash generating unit's (CGU's) to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to other comprehensive income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or cash generating unit's (CGU's) recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.4. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.5. Foreign currency transactions

i) Functional and presentation currency:

Items included in the standalone financial statements of the company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The standalone financial statements are presented in Indian rupee (INR), which is functional and presentation currency of the Company.

ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit and loss.



3.6. Revenue recognition

Revenue from contracts with customer is recognised upon transfer of control of promised goods/services to customers at an amount that reflects the consideration to which the Company expect to be entitled for those goods/services.

To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenues when a performance obligation is satisfied.

Revenue is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts and volume rebates, taking into account contractually defined terms of payment excluding taxes or duties collected on behalf of the government.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Others

- The Company accounts for variable consideration like volume discounts, rebates, returns and pricing incentives to customers as reduction of revenue on a systematic and rationale basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled.

- Revenues are shown net of allowances /returns, goods and service tax and applicable discounts and allowances.

- The Company typically provides warranties for general repairs of defects that existed at the time of sale. These assurance- type warranties are accounted under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Trade receivable

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included under the head 'other income' in the statement of profit and loss.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

Dividend income

Dividend income on investments is accounted when the right to receive the dividend is established, which is generally when shareholders approve the dividend. Dividend income is included under the head "Other income" in the statement of profit and loss account.



3.7. Interest expense

Interest expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the amortised cost of the financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

3.8. Employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current financial liabilities in the balance sheet.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The liabilities for leave balance are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The company operates the following post-employment schemes:

- (a) defined benefit plans - gratuity, and
- (b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have term approximating the term of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Such accumulated re-measurement balances are never reclassified into the statement of profit and loss subsequently.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Defined contribution plan

Retirement benefit in the form of provident fund scheme, ESI, Superannuation, are the defined contribution plans. The Company has no obligation, other than the contribution payable. The Company recognizes contribution payable to these schemes as an expenditure, when an employee renders the related service.



3.9. Income taxes

Income tax comprises of current tax and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to an item recognised directly in the other comprehensive income.

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts, and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.



Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2023

All amounts in Rs. Lakhs, unless otherwise stated

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in statement of profit and loss.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.10. Earnings/(loss) per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period (including treasury share).

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into.

3.11. Provision and contingent liabilities

Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for warranty-related cost are recognized when the product is sold to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses it in the standalone financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

3.12. Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statement comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.



For the purpose of the Standalone Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.13. Cash flow statement

Cash flows are reported using the indirect method, whereby net (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.14. Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at either at amortised cost, FVTPL or fair value in other comprehensive income (FVOCI). Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of the investments.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at investment level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for each of such investments and the operation of those policies in practice.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.



Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2023

All amounts in Rs. Lakhs, unless otherwise stated

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

Financial assets at FVTOCI

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of the investments.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities



The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.15. Leases

The Company has lease contracts for various buildings used in its operations. Lease terms generally ranges between 3 and 9 years.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.3 for policy on impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.



Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Extension and termination option

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Management have not considered any future cash outflow for which they are potentially exposed arising due to extension and termination options.

The Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating lease is recognized on a straight-line basis over the term of the relevant lease.

3.16. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.17. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Company has identified one reportable segment based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete financial information is available. The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The Company has only one reportable business segment, which is manufacture, purchase and sale of coir, foam and related products which constitutes a single business segment. Accordingly, the amounts appearing in the standalone financial statements relate to the company's single business segment.

3.18. Use of judgements, estimates and assumptions

The preparation of the standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. The areas involving significant estimates or critical judgements are:



(i) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The mortality rate is based on publicly available mortality table in India. The mortality tables tend to change only at interval in response to demographic changes. Further salary increases and gratuity increases are based on expected future inflation rates. Further details about the gratuity obligations are given in Note 41.

(ii) Impairment of financial and non-financial assets:

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. In case of non-financial assets company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

3.19. Insurance claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is certain to expect ultimate collection.

3.20. Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

i) Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.



ii) Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

iii) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

3.21. Changes in accounting policies and disclosures – New and amended standards

The Company applied for the first time the following standards and amendments, which are effective for annual periods beginning on or after April 1, 2022, as per the Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 notified by the Ministry of Corporate Affairs:

(a) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of other costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

(b) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI’s “Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards” with the reference to the “Conceptual Framework for Financial Reporting under Indian Accounting Standard” without significantly changing its requirements. The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. It has been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

(c) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

(d) Ind AS 109 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

The aforesaid standards and amendments did not have any material impact on the standalone financial statements of the Company.



3.22. Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023, to amend the following Ind AS which are effective from April 1, 2023:

(a) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

(b) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. Consequential amendments have been made in Ind AS 107.

(c) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101.

The aforesaid amendments are not expected to have any material impact on the Company's standalone financial statements.

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Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

4. Property, plant and equipment and Capital working in progress

| | Freehold Land | Buildings | Plant & Equipment | Furniture & Fixtures | Office Equipment | Computers | Vehicles | Total | Capital Work in Progress |
|---------------------|---------------|-----------|-------------------|----------------------|------------------|-----------|----------|------------|--------------------------|
| Cost | | | | | | | | | |
| At April 01, 2021 | 991.42 | 8,453.90 | 19,926.40 | 2,833.78 | 613.70 | 535.22 | 350.32 | 33,704.74 | 701.18 |
| Additions | - | 1,071.33 | 668.41 | 403.53 | 169.42 | 121.03 | 65.31 | 2,499.03 | 339.36 |
| Disposals | - | (63.25) | (36.35) | (225.50) | - | - | (24.25) | (349.35) | (642.28) |
| Adjustments* | - | - | 126.92 | 19.70 | 16.03 | 22.99 | 49.52 | 235.16 | - |
| At March 31, 2022 | 991.42 | 9,461.98 | 20,685.38 | 3,031.51 | 799.15 | 679.24 | 440.90 | 36,089.58 | 398.26 |
| Additions | - | 389.16 | 508.07 | 265.66 | 66.43 | 43.04 | 48.57 | 1,320.93 | 342.28 |
| Disposals** | - | (981.95) | (1,036.20) | (310.18) | (9.53) | (4.56) | (46.14) | (2,388.56) | (642.28) |
| At March 31, 2023 | 991.42 | 8,869.19 | 20,157.25 | 2,986.99 | 856.05 | 717.72 | 443.33 | 35,021.95 | 98.26 |
| Depreciation | | | | | | | | | |
| At April 01, 2021 | - | 1,012.74 | 9,922.31 | 1,392.91 | 435.64 | 450.87 | 80.56 | 13,295.03 | - |
| Charge for the year | - | 280.04 | 1,363.36 | 218.13 | 71.64 | 53.88 | 44.67 | 2,031.72 | - |
| Disposals | - | (17.15) | (20.36) | (136.25) | - | - | (5.51) | (179.27) | - |
| Adjustments* | - | - | 51.20 | 90.06 | 21.43 | 22.96 | 49.51 | 235.16 | - |
| At March 31, 2022 | - | 1,275.63 | 11,316.51 | 1,564.85 | 528.71 | 527.71 | 169.23 | 15,382.64 | - |
| Charge for the year | - | 282.87 | 1,283.65 | 211.03 | 74.55 | 63.80 | 46.54 | 1,962.44 | - |
| Disposals** | - | (230.60) | (479.70) | (169.20) | (8.30) | (4.30) | (16.72) | (908.82) | - |
| At March 31, 2023 | - | 1,327.90 | 12,120.46 | 1,606.68 | 594.96 | 587.21 | 199.05 | 16,436.26 | - |
| Net block | | | | | | | | | |
| At March 31, 2022 | 991.42 | 8,186.35 | 9,368.87 | 1,466.66 | 270.44 | 151.53 | 271.67 | 20,706.94 | 398.26 |
| At March 31, 2023 | 991.42 | 7,541.29 | 8,036.79 | 1,380.31 | 261.09 | 130.51 | 244.28 | 18,585.69 | 98.26 |

* Represents reclass adjustments between gross block and accumulated depreciation.

** Includes, deletion of assets on account of fire accident occurred at one of the Company's factory located at Jhagadia which were damaged/burnt in such fire accident, as below:

| Asset block | Gross block | Accumulated depreciation | Net block |
|----------------------|-----------------|--------------------------|-----------------|
| Buildings | 981.95 | 230.60 | 751.35 |
| Plant & Equipment | 1,018.10 | 470.87 | 547.23 |
| Furniture & Fixtures | 73.23 | 64.05 | 9.18 |
| Office Equipment | 4.68 | 4.22 | 0.46 |
| Computers | 4.43 | 4.21 | 0.22 |
| Total | 2,082.39 | 773.95 | 1,308.44 |

Capital work-in-progress (CWIP) ageing schedule

| | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|--------------|--------------|-------------------|---------------|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| As at March 31, 2023 | | | | | |
| Projects in progress | 20.86 | 29.25 | 37.31 | 10.84 | 98.26 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 20.86 | 29.25 | 37.31 | 10.84 | 98.26 |
| As at March 31, 2022 | | | | | |
| Projects in progress | 339.36 | 37.31 | 2.08 | 19.51 | 398.26 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 339.36 | 37.31 | 2.08 | 19.51 | 398.26 |

The Company does not have any projects under capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

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Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

5. Intangible assets

| | Goodwill* | Computer Software | Total |
|---------------------|-----------|-------------------|----------|
| Cost | | | |
| At April 01, 2021 | 2,103.16 | 1,074.70 | 3,177.86 |
| Additions | - | 2.90 | 2.90 |
| Disposals | - | - | - |
| At March 31, 2022 | 2,103.16 | 1,077.60 | 3,180.76 |
| Additions | - | - | - |
| Disposals | - | - | - |
| At March 31, 2023 | 2,103.16 | 1,077.60 | 3,180.76 |
| Amortisation | | | |
| At April 01, 2021 | - | 676.89 | 676.89 |
| Charge for the year | - | 136.96 | 136.96 |
| Disposals | - | - | - |
| At March 31, 2022 | - | 813.85 | 813.85 |
| Charge for the year | - | 133.98 | 133.98 |
| Disposals | - | - | - |
| At March 31, 2023 | - | 947.83 | 947.83 |
| Net block | | | |
| At March 31, 2022 | 2,103.16 | 263.75 | 2,366.91 |
| At March 31, 2023 | 2,103.16 | 129.77 | 2,232.93 |

*Goodwill of Rs. 2,103.16 lakhs was recognised upon amalgamation of Spring Air Bedding Company India Limited ("SABCIL") with the Company pursuant to the scheme of amalgamation approved by National Company Law Tribunal ("NCLT"), Mumbai and NCLT, Delhi vide their orders dated March 12, 2020 and May 05, 2020 respectively with an appointed date of April 01, 2018 ("Effective Date").

In view of the synergies, the Company including SABCIL has been considered as a single cash generating unit. The Company tests whether goodwill has suffered any impairment on an annual basis. There is no impairment as per the assessment performed by the management at the year end. Management has performed sensitivity analysis around the basic assumption and have concluded that no reasonable/possible change in key assumptions would cause the recoverable amount lower than the carrying amount of goodwill. In estimating the value in use, the management of Holding Company considered terminal growth rate of 5% and discount rate of 10.19% as assumptions.

6. Right to use assets

| | Leasehold Land | Buildings | Total |
|---------------------|----------------|-----------|----------|
| Cost | | | |
| At April 01, 2021 | 1,145.27 | 1,155.50 | 2,300.77 |
| Additions | - | 1,005.00 | 1,005.00 |
| Disposals | - | (625.22) | (625.22) |
| Adjustments* | - | (84.38) | (84.38) |
| At March 31, 2022 | 1,145.27 | 1,450.90 | 2,596.17 |
| Additions | - | 1,022.99 | 1,022.99 |
| Disposals | - | (391.56) | (391.56) |
| At March 31, 2023 | 1,145.27 | 2,082.33 | 3,227.60 |
| Depreciation | | | |
| At April 01, 2021 | 38.90 | 732.64 | 771.54 |
| Charge for the year | 19.45 | 454.66 | 474.11 |
| Disposals | - | (616.24) | (616.24) |
| Adjustments* | - | (84.38) | (84.38) |
| At March 31, 2022 | 58.35 | 486.68 | 545.03 |
| Charge for the year | 19.45 | 539.42 | 558.87 |
| Disposals | - | (238.99) | (238.99) |
| At March 31, 2023 | 77.80 | 787.11 | 864.91 |
| Net block | | | |
| At March 31, 2022 | 1,086.92 | 964.22 | 2,051.14 |
| At March 31, 2023 | 1,067.47 | 1,295.22 | 2,362.69 |

* Represents reclass adjustments between gross block and accumulated depreciation.



Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

7. Investment

| | March 31, 2023 | | March 31, 2022 | |
|---|-------------------|-----------------|-------------------|------------------|
| | Nos. | Amount | Nos. | Amount |
| Measured at cost | | | | |
| Non-current investments, unquoted | | | | |
| Investments in equity instruments of subsidiary (all fully paid) | | | | |
| Kurlon Retail Limited (Formerly known as Kurlon Retail Private Limited) (Shares of Rs. 5/- each fully paid up) (refer Note 7(i) below) | 15,265,466 | 1,760.00 | 15,265,466 | 1,760.00 |
| Sirar Solar Energies Private Limited (Shares of Rs. 100/- each fully paid up) | 4,690 | 4.69 | 4,690 | 4.69 |
| Sevalal Solar Private Limited (Shares of Rs. 100/- each fully paid up) | 4,690 | 4.69 | 4,690 | 4.69 |
| Sirar Dhotre Solar Private Limited (Shares of Rs. 100/- each fully paid up) | 4,690 | 4.69 | 4,690 | 4.69 |
| Belvedere International Limited (Shares of Rs. 10/- each fully paid) | 50,000 | 5.00 | 50,000 | 5.00 |
| Komfort Universe Products and Services Limited (Shares of Rs. 10/- each fully paid) | 50,000 | 5.00 | 50,000 | 5.00 |
| Starship Value Chain and Manufacturing Private Limited (Formerly known as Starship Manufacturing & Services Private Limited) (Shares of Rs. 10/- each fully paid) | 5,000 | 0.50 | 5,000 | 0.50 |
| Kanvas Concepts Private Limited (Shares of Rs. 10/- each fully paid) | 10,000 | 1.00 | 10,000 | 1.00 |
| Total | 15,394,536 | 1,785.57 | 15,394,536 | 1,785.57 |
| Measured at fair value through profit and loss | | | | |
| Current investments, quoted | | | | |
| Investments in mutual funds | | | | |
| Nippon Money Market Fund - D G | 2,847 | 101.00 | - | - |
| Kotak Banking & PSU Debt Fund Direct Growth | - | - | 2,033,681 | 1,103.94 |
| Axis Short Term Plan-D-G | - | - | 3,596,142 | 959.55 |
| DSP Banking and PSU Debt Fund-Direct Growth | - | - | 4,232,783 | 845.36 |
| IDFC Corporate Bond Fund Regular Plan-Growth | - | - | 4,534,078 | 713.42 |
| ICICI Prudential Banking & PSU Debt Fund | - | - | 2,200,468 | 592.37 |
| Kotak Bond Short Term Fund - Direct Growth | - | - | 1,256,924 | 574.36 |
| Kotak Corporate Bond Fund - Direct Growth | - | - | 17,573 | 550.54 |
| Mirae Asset Corporate Bond Fund-R G | - | - | 4,846,475 | 505.80 |
| LIC MF PSU Banking Fund Direct Growth | - | - | 1,642,874 | 493.42 |
| HSBC Corporate Bond Fund Direct Growth | - | - | 3,927,087 | 419.78 |
| Trust MF Banking & PSU Debt Fund - Direct Plan - Growth | - | - | 29,009 | 306.34 |
| ICICI Prudential Ultra short term Fund -D G | - | - | 1,271,606 | 304.05 |
| JM Low Duration Fund - R G | - | - | 996,504 | 301.12 |
| Canara Robeco Corporate Bond Fund - Direct Growth | - | - | 1,109,397 | 209.37 |
| PGIM India Low Duration Fund D G | - | - | 796,144 | 203.30 |
| Mahindra Manulife Short Term Fund D G | - | - | 1,922,171 | 203.04 |
| Trust MF Short Term Fund D G | - | - | 19,695 | 202.27 |
| Tata Corporate Bond Fund D G | - | - | 1,999,900 | 202.26 |
| Edelweiss Nifty PSU Bond Plus Sdl Index Fund 2026 R G | - | - | 1,883,463 | 201.97 |
| Axis CPSE Plus SDL 2025 Debt Index Fund D G | - | - | 1,999,900 | 201.65 |
| Canara Robeco Short Term Duration Fund -D G | - | - | 898,208 | 201.47 |
| Trust MF Banking & PSU Debt Fund - Regular - Growth | - | - | 19,076 | 200.28 |
| ICICI Prudential Corporate Bond Fund - Direct Plan - Growth | - | - | 415,282 | 102.10 |
| Nippon Short Term Fund - D G | - | - | 223,873 | 101.92 |
| ABSL Floating Rate Fund -Dg | - | - | 35,907 | 101.81 |
| Tata Banking & PSU Debt Fund D G | - | - | 856,480 | 101.73 |
| Invesco India Corporate Bond Fund - D G | - | - | 3,716 | 101.63 |
| Edelweiss Nifty PSU Bond Plus Sdl Index Fund D G | - | - | 993,561 | 101.41 |
| Edelweiss Nifty PSU Bond Plus Sdl Index Fund 2027 R G | - | - | 993,996 | 101.38 |
| Invesco India Medium Duration Fund- D G | - | - | 9,826 | 101.33 |
| L & T Low Duration Fund Direct Growth | - | - | 421,328 | 100.53 |
| Nippon India Corporate Bond Fund - D G | - | - | 202,851 | 100.51 |
| DSP Short Term Fund-D G | - | - | 247,808 | 100.47 |
| ABSL Crisil Aaa Jun 2023 Index Fund D G | - | - | 1,000,261 | 100.43 |
| Axis Money Market Fund - D G | 8,277 | 100.79 | - | - |
| ICICI Prudential Corporate Bond Fund - Direct Plan - Growth | 400,849 | 100.10 | - | - |
| DSP Savings Fund - D G | 435,394 | 200.23 | - | - |
| Kotak Liquid Fund D G | 4,400 | 200.12 | - | - |
| Axis Liquid Fund D G | 8,002 | 200.11 | - | - |
| Edelweiss Money Market Fund D G | 753,258 | 199.99 | - | - |
| LIC MF Saving Fund -D G | 552,000 | 199.99 | - | - |
| ICICI Prudential Corporate Bond Fund - Direct Plan - Growth | 400,425 | 100.00 | - | - |
| Bandhan Ultra short term fund D G | 1,528,742 | 199.98 | - | - |
| Total | 4,094,193 | 1,602.30 | 46,638,045 | 10,710.91 |
| Aggregate value of unquoted investments | | 1,785.57 | | 1,785.57 |
| Aggregate book value of quoted investments | | 1,602.30 | | 10,710.91 |
| Aggregate market value of quoted investments | | 1,602.30 | | 10,710.91 |



Kurlon Enterprise Limited
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7. Investment (contd.)

- (i) As at March 31, 2023, the carrying value of investment in 15,265,466 equity shares of Rs. 5 each of Kurlon Retail Limited amounting to Rs. 1,760.00 lakhs is tested for decline other than temporary in view of negative networth. The management has assessed the value in use of the subsidiary and considering the expected volume of sales, margins earned and future profitability, the carrying value is considered appropriate. However, the loan receivable of Rs 23,98.69 has been provided for (refer note 8(a)).

8. Loans

| | Non - current | | Current | |
|---|----------------|-----------------|----------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Unsecured, at amortised cost (considered good) | | | | |
| Loans | | | | |
| - Subsidiaries (Refer Note 36) | 215.89 | 2,614.36 | - | - |
| - Others | - | - | 10.00 | 56.74 |
| | 215.89 | 2,614.36 | 10.00 | 56.74 |
| Loans | | | | |
| - Subsidiaries (Refer Note 36) | 2,973.75 | 418.08 | - | - |
| Less : Loss allowance | (2,973.75) | (418.08) | - | - |
| | 215.89 | 2,614.36 | 10.00 | 56.74 |

- (a) The details of unsecured loans to subsidiaries given for the purpose of working capital requirements are as follows :

| Name of the subsidiary | Rate of interest | Due date of repayment (Note (b)) | March 31, 2023 | | March 31, 2022 | |
|--|------------------|----------------------------------|-----------------|----------------------|-----------------|----------------------|
| | | | Gross | Allowance (Note (c)) | Gross | Allowance (Note (c)) |
| Kurlon Retail Limited | 8.50% | On demand | 2,398.69 | (2,398.69) | 2,601.34 | - |
| Kanvas Concepts Private Limited | 8.50% | On demand | 162.91 | (162.91) | 162.76 | (162.76) |
| Komfort Universe Products and Services Private Limited | 8.50% | On demand | 412.15 | (412.15) | 81.40 | (81.40) |
| Sirar Solar Energies Private Limited (refer note (e)) | 8.50% | On demand | 98.71 | - | 74.59 | (74.59) |
| Sirar Dhotre Solar Private Limited (refer note (e)) | 8.50% | On demand | 81.78 | - | 68.81 | (68.81) |
| Sevalal Solar Private Limited (refer note (e)) | 8.50% | On demand | 22.08 | - | 30.53 | (30.53) |
| Belvedere International Limited | 8.50% | On demand | 13.31 | - | 13.01 | - |
| Total | | | 3,189.64 | (2,973.75) | 3,032.44 | (418.08) |

- (b) The Company has granted various loans to its subsidiary companies to meet their working capital requirements which has been approved by the Board of Directors. The aforesaid loans are repayable on demand along with interest and management believes that these terms are not prejudicial to the Company's interests. The Company has not demanded the aforesaid loans along with interest during the year.
- (c) Considering the financial position of these subsidiaries, the Company has provided loss allowance on the aforesaid outstanding loan amount and same has been disclosed as exceptional item (Refer note 33A).
- (d) Except as disclosed above, there are no loans to Directors or other officers of the Company or any of them either severally or jointly with any other person or loans to any firm in which director is a partner.
- (e) As detailed in note 48 with respect to Share purchase agreement dated July 17, 2023 entered by Sheela Foam Limited for acquiring shares held by Kanara Consumer Products Limited (formerly known as Kulron Limited) and Kurlon Trading and Invest management Private Limited in the company and conditions precedent mentioned there in, the Company is required to recover/settle all the related party receivables/payables as applicable and hence Rs 173.93 lakhs provided earlier has been reversed.

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Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

9. Other financial assets

| | Non - current | | Current | |
|---|-----------------|----------------|------------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Considered good unless otherwise stated | | | | |
| Unsecured, at amortised cost | | | | |
| Interest accrued on fixed deposits | - | - | 6.38 | 84.44 |
| Security deposits # | 567.74 | 665.71 | 15,548.70 | 74.35 |
| Insurance Receivable * | 2,022.29 | - | - | - |
| Interest accrued on loans given to subsidiaries | - | - | 13.66 | - |
| | 2,590.03 | 665.71 | 15,568.74 | 158.79 |
| Unsecured, credit impaired | | | | |
| Interest accrued on loan given to subsidiaries | - | - | 42.12 | 16.82 |
| Less : Loss allowance (Refer Note 36 and below) | - | - | (42.12) | (16.82) |
| | - | - | - | - |
| | 2,590.03 | 665.71 | 15,568.74 | 158.79 |

Pertains to interest on loan given to subsidiaries which are payable on demand along with respective principal amounts. Considering the financial position of these subsidiaries, the Company has provided loss allowance on the interest accrued on loan given to subsidiaries on outstanding interest amount as of March 31, 2023. Refer Note 8(a) for details.

* During the year, there is fire accident occurred at one of the Company's factory located at Jhagadia. In such fire accident, various assets including inventories, property, plant & equipment were damaged/burnt against which the Company has filed claim with the insurer for Rs 4,177.98 lakhs of which, the Company has received interim claim of Rs 465 lakhs. Insurance receivable of Rs 2,022.29 lakhs as of 31 March 2023 represents book of value of damaged/burn assets including inventories. The Company is confident of realising the aforesaid claim in near future.

Includes lease deposit amount of Rs 15,300 lakhs paid by the Company to Kanara Consumer Products Limited during the year 2022-23, towards various premises taken on lease from Kanara Consumer Products Limited basis renegotiation of terms and conditions of on-going lease arrangements. As detailed in note 48 with respect to Share purchase agreement dated July 17, 2023 entered by Sheela Foam Limited for acquiring shares held by Kanara Consumer Products Limited and Kurlon Trading and Invest management Private Limited in the company and conditions precedent mentioned there in, the Company is required to recover/settle all the related party receivables/payables as applicable. Hence, the carrying value is considered recoverable.

10. Income tax assets (net)

| | March 31, 2023 | March 31, 2022 |
|---|-----------------|-----------------|
| Advance income tax including tax deducted at source | 6,197.81 | 10,449.88 |
| Provision for current tax | (4,701.76) | (9,003.90) |
| | 1,496.05 | 1,445.98 |

11. Other assets

| | Non - current | | Current | |
|--|-----------------|-----------------|------------------|-----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Unsecured, considered good | | | | |
| Capital advances (Refer Note (i) below) | 1,510.85 | 2,149.04 | - | - |
| Advances recoverable in cash or kind | | | | |
| - Related parties (Refer Note 36) | - | - | 7,713.74 | 4,715.56 |
| - Others | - | - | 1,583.37 | 698.39 |
| Advance to employees | - | - | 70.20 | 50.23 |
| Prepaid expenses | - | - | 504.77 | 285.69 |
| Leave encashment fund | - | - | - | 7.23 |
| Balances with statutory/government authorities | - | - | 308.05 | 299.61 |
| | 1,510.85 | 2,149.04 | 10,180.13 | 6,056.71 |
| Unsecured, credit impaired | | | | |
| Advances recoverable in cash or kind | | | | |
| - Others | - | - | 24.92 | 24.92 |
| Less : Provision for doubtful advances | - | - | (24.92) | (24.92) |
| | - | - | - | - |
| Total | 1,510.85 | 2,149.04 | 10,180.13 | 6,056.71 |

(i) Capital advances includes the following :

- (a) During the year 2013-2014, the Kanara Consumer Products Limited (formerly known as "Kulron Limited" or "Holding Company") had paid an advance of Rs. 1,222.76 lakhs to Maharashtra Apex Corporation Limited (MRACL) (a related party) for purchase of land. In an earlier year, the Honorable Karnataka High Court (The court) had vide its order dated October 08, 2004 had stated that sale of land can be carried out only with its permission. Subsequently, the court vide its order dated April 20, 2012 accorded its consent for the sale of land to Kanara Consumer Products Limited. During the financial year 2014-2015, the advance was transferred by Holding Company to the Company and has been carried in the books till date.

As detailed in note 48 with respect to Share purchase agreement dated July 17, 2023 entered by Sheela Foam Limited for acquiring shares held by Kanara Consumer Products Limited (formerly known as Kulron Limited) and Kurlon Trading and Invest management Private Limited in the company and conditions precedent mentioned there in, the Company is required to recover/settle all the related party receivables/payables as applicable. Hence, the carrying value is considered recoverable.

- (b) Out of Capital advances as of March 31, 2022, Rs 622.07 lakhs has been adjusted against security deposit towards modified lease agreement entered with the Holding Company.



Kurlon Enterprise Limited
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All amounts in Rs. Lakhs, unless otherwise stated

12. Inventories (valued at lower of cost and net realizable value)

| | March 31, 2023 | March 31, 2022 |
|---|-----------------|------------------|
| Raw materials (includes goods in transit Rs. Nil (March 31, 2022 - Rs. 657.89)) | 2,962.94 | 5,242.40 |
| Work in progress | 987.57 | 1,836.54 |
| Finished goods (includes in transit Rs. Nil (March 31, 2022 - Rs. Nil)) | 3,068.02 | 3,536.69 |
| Spares and consumables | 488.28 | 546.30 |
| Traded goods | 384.13 | 378.43 |
| | 7,890.94 | 11,540.36 |

The carrying value of inventories as reflected above is net of provision for aged/slow moving stock of Rs. 619.84 lakhs (March 31, 2022 : Rs. 706.79 lakhs).

13. Trade receivables

| | March 31, 2023 | March 31, 2022 |
|--|-----------------|-----------------|
| Financial assets, at amortised cost | | |
| Unsecured, considered good | 5,868.23 | 5,446.95 |
| Unsecured, credit impaired | 1,666.42 | 1,592.89 |
| | 7,534.65 | 7,039.84 |
| Provision for doubtful receivables | (1,666.42) | (1,592.89) |
| | 5,868.23 | 5,446.95 |

Notes:

- (i) Trade receivables are non-interest bearing and are generally on terms of 7 to 90 days.
(ii) For balances with related parties, refer Note 36.
(iii) Trade Receivables ageing schedule.

| | Outstanding for following periods from the due date of payment | | | | | | Total |
|--|--|--------------------|--------------------|---------------|---------------|-------------------|-----------------|
| | Not due | Less than 6 months | 6 months to 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| March 31, 2023 | | | | | | | |
| Undisputed trade receivables - considered good | 3,931.86 | 1,336.37 | 372.51 | 12.67 | 214.82 | - | 5,868.23 |
| Undisputed trade receivables - credit impaired | - | - | 181.29 | 208.73 | 514.78 | 475.90 | 1,380.70 |
| Disputed trade receivables - credit impaired | - | 0.87 | 7.04 | 17.70 | 16.60 | 243.51 | 285.72 |
| | 3,931.86 | 1,337.24 | 560.84 | 239.10 | 746.20 | 719.41 | 7,534.65 |
| March 31, 2022 | | | | | | | |
| Undisputed trade receivables - considered good | 571.63 | 4,673.51 | 185.51 | 13.65 | 1.83 | 0.82 | 5,446.95 |
| Undisputed trade receivables - credit impaired | - | - | - | 872.50 | 227.37 | 151.86 | 1,251.73 |
| Disputed trade receivables - credit impaired | - | - | - | 76.28 | 104.38 | 160.50 | 341.16 |
| | 571.63 | 4,673.51 | 185.51 | 962.43 | 333.58 | 313.18 | 7,039.84 |

14. Cash and bank balances

| | Non-Current | | Current | |
|--|----------------|----------------|----------------|-----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Cash and cash equivalents | | | | |
| Cash in hand | - | - | 4.53 | 3.13 |
| Balances with banks : | | | | |
| In current accounts | - | - | 209.48 | 144.37 |
| | | | 214.01 | 147.50 |
| Other bank balances | | | | |
| Deposits with remaining maturity for less than 12 months | - | - | 0.05 | 4,090.00 |
| Earmarked balances with banks * | - | - | 134.25 | 141.79 |
| Unclaimed dividend account | - | - | 15.01 | 15.71 |
| | | | 149.31 | 4,247.50 |
| | | | 363.32 | 4,395.00 |

* Deposits receipts pledged with banks for obtaining letter of credit & bank guarantee facilities.



15. Equity share capital

| | March 31, 2023 | | March 31, 2022 | |
|--|--------------------|-----------------|--------------------|-----------------|
| | Nos. | Amount | Nos. | Amount |
| Authorised shares | | | | |
| Equity shares of Rs. 5/- each with voting rights | 150,600,000 | 7,530.00 | 150,600,000 | 7,530.00 |
| | 150,600,000 | 7,530.00 | 150,600,000 | 7,530.00 |
| Issued, subscribed and fully paid-up shares | | | | |
| Equity shares of Rs. 5/- each with voting rights | 36,552,261 | 1,827.62 | 36,552,261 | 1,827.62 |
| | 36,552,261 | 1,827.62 | 36,552,261 | 1,827.62 |

a. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

| | March 31, 2023 | | March 31, 2022 | |
|---|-------------------|-----------------|-------------------|-----------------|
| | Nos. | Amount | Nos. | Amount |
| At the beginning of the year | 36,552,261 | 1,827.62 | 36,552,261 | 1,827.62 |
| Issued during the year | - | - | - | - |
| Outstanding at the end of the year | 36,552,261 | 1,827.62 | 36,552,261 | 1,827.62 |

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 5 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by Holding Company

| | March 31, 2023 | | March 31, 2022 | |
|--|-------------------|---------------|-------------------|---------------|
| | Nos. | % | Nos. | % |
| Kanara Consumer Products Limited (formerly known as "Kurlon Limited", the Holding Company) | 32,338,830 | 88.47% | 30,924,115 | 84.60% |
| Equity shares of Rs. 5/- each | 32,338,830 | 88.47% | 30,924,115 | 84.60% |

d. Details of shareholders holding more than 5% shares in the Company

| | March 31, 2023 | | March 31, 2022 | |
|---|----------------|--------|----------------|--------|
| | Nos. | % | Nos. | % |
| <u>Equity shares of Rs. 5/- each</u> | | | | |
| Kanara Consumer Products Limited (formerly known as "Kurlon Limited", the Holding Company)* | 32,338,830 | 88.47% | 30,924,115 | 84.60% |
| Kurlon Trading and Invest management Private Limited | 2,263,545 | 6.19% | - | - |
| Indian Business Excellence Fund II A | - | - | 2,354,086 | 6.44% |

* Includes the beneficial interest in 100 shares, which are registered in the name of the Managing Director.

e. Details of shares issued for consideration other than cash during the preceding five years

| | March 31, 2023 | March 31, 2022 | March 31, 2021 | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|----------------|----------------|------------------|
| <u>Equity shares of Rs. 5/- each with voting rights</u> | | | | | |
| Fully paid up bonus shares | - | - | - | - | 8,595,013 |
| | - | - | - | - | 8,595,013 |

f. Details of shares held by promoters

As at March 31, 2023

| | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of total shares | % change during the year |
|--|--|------------------------|--------------------------------------|-------------------|--------------------------|
| Kanara Consumer Products Limited (formerly known as "Kurlon Limited", the Holding Company) | 30,924,115 | 1,414,715 | 32,338,830 | 88.47% | 4.57% |
| Tonse Sudhakar Pai | 347 | - | 347 | 0.00% | - |
| Jaya Sudhakar Pai | 347 | 2,300 | 2,647 | 0.01% | 663% |
| | 30,924,809 | 1,417,015 | 32,341,824 | 88.48% | 4.58% |



15. Equity share capital (contd.)

As at March 31, 2022

| | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of total shares | % change during the year |
|--|--|------------------------|--------------------------------------|-------------------|--------------------------|
| Kanara Consumer Products Limited (formerly known as "Kurlon Limited", the Holding Company) | 30,949,615 | (25,500) | 30,924,115 | 84.60% | -0.08% |
| Tonse Sudhakar Pai | 347 | - | 347 | 0.00% | - |
| Jaya Sudhakar Pai | 347 | - | 347 | 0.00% | - |
| | 30,950,309 | (25,500) | 30,924,809 | 84.60% | -0.08% |

g. Dividend made and proposed

| | March 31, 2023 | | March 31, 2022 | |
|--|----------------|--------|----------------|----------|
| | Dividend/Share | Rs. | Dividend/Share | Rs. |
| Dividend on equity shares declared and paid | | | | |
| Final dividend for the year ended March 31, 2022 paid in financial year 2022-23: Rs 182.76 lakhs (for the year ended March 31, 2021 paid in financial year 2021-22: Rs 1,827.61 lakhs) | 0.50 | 182.76 | 5.00 | 1,827.61 |
| Proposed dividend on equity shares | | | | |
| Proposed dividend for the year ended March 31, 2023 : Rs 731.04 Lakhs (for the year ended March 31, 2022: Rs 182.76 lakhs) | 2.00 | 731.04 | 0.50 | 182.76 |

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31.

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Kurlon Enterprise Limited
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16. Other equity

| | March 31, 2023 | March 31, 2022 |
|---|------------------|------------------|
| Securities premium account | | |
| Balance at the beginning of the year | 14,860.49 | 14,860.49 |
| Add : Premium on issue of shares | - | - |
| Balance as at end of the year | 14,860.49 | 14,860.49 |
| General reserve | | |
| Balance at the beginning of the year | 1,286.11 | 1,286.11 |
| Add : Transfer from surplus in the statement of profit and loss | - | - |
| Balance as at end of the year | 1,286.11 | 1,286.11 |
| Retained earnings | | |
| Balance at the beginning of the year | 31,367.87 | 32,949.52 |
| Add : Profit/(Loss) for the year | (1,317.45) | 357.96 |
| Add : Other comprehensive income/(loss) for the year | (31.47) | (112.00) |
| Less : Dividend paid | (183.21) | (1,827.61) |
| Balance as at end of the year | 29,835.74 | 31,367.87 |
| Total | 45,982.34 | 47,514.47 |

17. Lease liabilities

| | Non - current | | Current | |
|-------------------|----------------|----------------|----------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Lease liabilities | 921.21 | 547.88 | 413.24 | 454.78 |
| | 921.21 | 547.88 | 413.24 | 454.78 |

The movement of lease liabilities during the year is as below:

| | March 31, 2023 | March 31, 2022 |
|------------------------------|-----------------|-----------------|
| At the beginning of the year | 1,002.66 | 446.12 |
| Additions | 979.49 | 961.79 |
| Interest expense | 102.91 | 82.30 |
| Payments | (586.86) | (477.65) |
| Termination of leases | (163.75) | (9.90) |
| At the end of the year | 1,334.45 | 1,002.66 |

The maturity analysis of lease liabilities are disclosed in Note 43.

18. Other financial liabilities

| | Non - current | | Current | |
|-------------------------------------|-----------------|-----------------|----------------|-----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Unsecured, at amortised cost | | | | |
| Security deposits | 5,781.90 | 5,361.77 | - | - |
| Employee related liabilities | - | - | 897.40 | 918.57 |
| Payable for capital goods | - | - | 4.84 | 150.93 |
| Unpaid dividend account | - | - | 15.14 | 15.71 |
| | 5,781.90 | 5,361.77 | 917.38 | 1,085.21 |

19. Provisions

| | Non - current | | Current | |
|---------------------------------|----------------|----------------|----------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Provision for warranty* | 332.57 | 374.32 | 486.27 | 444.52 |
| Provision for employee benefits | | | | |
| Gratuity (Refer Note 41) | 44.46 | 126.47 | 74.45 | 86.69 |
| Leave Encashment | - | - | 71.96 | - |
| | 377.03 | 500.79 | 632.68 | 531.21 |

*** Provision for warranty :**

The Company provides warranties on its products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at year end represent the amount of the expected cost based on past experience of meeting such obligations. The table below gives information about movement in warranty provisions.

| | March 31, 2023 | March 31, 2022 |
|--------------------------------------|----------------|----------------|
| Balance as at beginning of the year | 818.84 | 798.84 |
| Provisions created during the year | 361.79 | 328.64 |
| Amounts utilised during the year | (361.79) | (308.64) |
| Balance as at end of the year | 818.84 | 818.84 |
| Current | 486.27 | 444.52 |
| Non-current | 332.57 | 374.32 |

20. Deferred tax liabilities (net)

| | Non - current | |
|--------------------------|----------------|-----------------|
| | March 31, 2023 | March 31, 2022 |
| Deferred tax liabilities | 2,414.33 | 2,609.66 |
| Deferred tax assets | (1,775.49) | (911.12) |
| | 638.84 | 1,698.54 |

Refer Note 44 for further details.



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Notes to the standalone financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

21. Borrowings

| | March 31, 2023 | March 31, 2022 |
|--|-----------------|----------------|
| Secured borrowings | | |
| Loans from banks | 1,010.91 | 11.26 |
| Unsecured borrowings | | |
| Loans from related parties (Refer Note 36) | 650.00 | 676.30 |
| | 1,660.91 | 687.56 |

(a) **Loan from banks of Rs. 1,010.91 lakhs (March 31, 2022 : Rs. 11.26 lakhs)**

(i) The Company has obtained various facilities from Axis Bank and Kotak Bank. The loan is secured by first pari passu charge on entire current assets of the Company. The loan is repayable on demand and carries interest rate of 3 months MCLR + 0.2% p.a. and 6 months MCLR + 0.1% p.a. on the cash credit and working capital loan facilities respectively. The outstanding balance against the aforesaid facility as of March 31, 2023 is Rs. 1,001.71 (March 31, 2022 : Rs. Nil).

(ii) The Company has obtained corporate credit cards from banks and the outstanding balance as of March 31, 2023 is Rs. 9.20 lakhs (March 31, 2022 : Rs. 11.26 lakhs).

(b) **Loan from related parties of Rs. 650 lakhs (March 31, 2022 : Rs. 676.30 lakhs)**

The Company has obtained a loan from Mrs. Jaya S Pai, Director. The loan is unsecured and is repayable on demand and carries interest rate of 10% p.a.

The table below depicts changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes :

Reconciliation of liabilities arising from financing activities

| | Beginning of the year | Cash flows (net) | Non cash adjustments | End of the year |
|----------------------------|-----------------------|------------------|----------------------|-----------------|
| March 31, 2023 | | | | |
| Loans from banks | 11.26 | 999.65 | - | 1,010.91 |
| Loans from related parties | 676.30 | (26.30) | - | 650.00 |
| Lease liabilities | 1,002.66 | (483.95) | 815.74 | 1,334.45 |
| | 1,690.22 | 489.40 | 815.74 | 2,995.36 |
| March 31, 2022 | | | | |
| Loans from banks | 510.94 | (499.68) | - | 11.26 |
| Loans from related parties | 676.30 | - | - | 676.30 |
| Lease liabilities | 446.12 | (395.35) | 951.89 | 1,002.66 |
| | 1,633.36 | (895.03) | 951.89 | 1,690.22 |

22. Trade payables

| | March 31, 2023 | March 31, 2022 |
|--|------------------|------------------|
| At amortised cost | | |
| Total outstanding dues of micro enterprises and small enterprises (Refer Note 37) | 313.09 | 355.45 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 11,714.21 | 11,314.77 |
| | 12,027.30 | 11,670.22 |

Ageing of trade payables

| | Outstanding for following periods from the date of transaction | | | | | Total |
|--------------------------------------|--|------------------|--------------|--------------|-------------------|------------------|
| | Unbilled | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| March 31, 2023 | | | | | | |
| Undisputed trade payables - MSME | 264.06 | 17.48 | 22.59 | 8.96 | - | 313.09 |
| Undisputed trade payables - Non MSME | 10,443.35 | 1,233.47 | 25.27 | 7.70 | 4.42 | 11,714.21 |
| Total | 10,707.41 | 1,250.95 | 47.86 | 16.66 | 4.42 | 12,027.30 |
| March 31, 2022 | | | | | | |
| Undisputed trade payables - MSME | 31.54 | 323.91 | - | - | - | 355.45 |
| Undisputed trade payables - Non MSME | 4,861.25 | 6,356.19 | 65.68 | 10.29 | 21.36 | 11,314.77 |
| Total | 4,892.79 | 6,680.10 | 65.68 | 10.29 | 21.36 | 11,670.22 |

23. Other current liabilities

| | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Contract liabilities - Advance from customers | 393.60 | 436.82 |
| Statutory dues payables | 274.58 | 232.52 |
| | 668.18 | 669.34 |

Contract liabilities are recognised as revenues when the Company performs under the contract (i.e. transfer of control of the related goods).

24. Liabilities for current tax (net)

| | March 31, 2023 | March 31, 2022 |
|-------------------------|----------------|----------------|
| Current tax liabilities | 512.99 | - |
| | 512.99 | - |



Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

25. Revenue from operations

| | March 31, 2023 | March 31, 2022 |
|--|------------------|------------------|
| Revenue from contracts with customers | | |
| Sale of products | | |
| Finished goods | 93,612.02 | 73,182.76 |
| Traded goods | 828.80 | 12,677.06 |
| Less : Schemes & rebates | (10,402.42) | (8,858.68) |
| Other operating revenue | | |
| Scrap sales | 248.82 | 224.44 |
| Revenue from operations | 84,287.22 | 77,225.58 |

(a) Timing of revenue from operations

| | March 31, 2023 | March 31, 2022 |
|--------------------------------------|------------------|------------------|
| Goods transferred at a point in time | 84,287.22 | 77,225.58 |
| | 84,287.22 | 77,225.58 |

(b) Reconciliation of amount of revenue recognised with contract price

| | March 31, 2023 | March 31, 2022 |
|-------------------------------|------------------|------------------|
| Revenue as per contract price | 94,689.64 | 86,084.26 |
| Less : Discounts | (10,402.42) | (8,858.68) |
| | 84,287.22 | 77,225.58 |

(c) Movement in contract liabilities during the year *

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Opening balance | 436.82 | 574.52 |
| Less : Revenue recognised during the year | (436.82) | (574.52) |
| Add : Amount of consideration received during the year | 393.60 | 436.82 |
| Closing balance | 393.60 | 436.82 |

* Contract liabilities consists of advances received from customers towards supply of products.

26. Other income

| | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Gain on sale of investments in mutual funds | 491.04 | 355.41 |
| Fair value gain on mutual fund at fair value through profit or loss | - | 125.48 |
| Interest income | | |
| - On fixed deposits | 65.24 | 235.17 |
| - On security deposits | 24.84 | 20.74 |
| - On Others | 15.02 | 7.69 |
| Liabilities no longer required written back | 16.82 | 40.48 |
| Gain on early termination of lease | 11.18 | 0.92 |
| Miscellaneous income | 41.53 | 180.90 |
| | 665.67 | 966.79 |

27. Cost of raw materials consumed

| | March 31, 2023 | March 31, 2022 |
|--|------------------|------------------|
| Inventories at the beginning of the year | 5,242.40 | 4,487.83 |
| Add: Purchases | 35,651.46 | 37,092.04 |
| Less: Inventories at the end of the year | (2,962.94) | (5,242.40) |
| Cost of raw materials consumed | 37,930.92 | 36,337.47 |

28. Purchase of traded goods

| | March 31, 2023 | March 31, 2022 |
|--------------------------|-----------------|-----------------|
| Purchase of traded goods | 9,079.51 | 8,749.41 |
| | 9,079.51 | 8,749.41 |

29. Changes in inventories of finished goods, work-in-progress and traded goods

| | March 31, 2023 | March 31, 2022 |
|---|-----------------|-----------------|
| Inventories at the end of the year | | |
| Finished goods | 3,068.02 | 3,536.69 |
| Work in progress | 987.57 | 1,836.54 |
| Traded goods | 384.13 | 378.43 |
| | 4,439.72 | 5,751.66 |
| Inventories at the beginning of the year | | |
| Finished goods | 3,536.69 | 3722.45 |
| Work in progress | 1,836.54 | 1786.97 |
| Traded goods | 378.43 | 584.06 |
| | 5,751.66 | 6,093.48 |
| | 1,311.94 | 341.82 |



Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2023
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30. Employee benefit expenses

| | March 31, 2023 | March 31, 2022 |
|---|-----------------|-----------------|
| Salaries, wages and bonus | 4,772.52 | 4,660.38 |
| Gratuity expenses (Refer Note 41) | 65.37 | 58.10 |
| Contribution to provident and other funds (Refer Note 41) | 221.77 | 244.97 |
| Staff welfare expenses | 200.89 | 180.85 |
| | 5,260.55 | 5,144.30 |

31. Finance costs

| | March 31, 2023 | March 31, 2022 |
|--------------------------|----------------|----------------|
| Interest expenses | | |
| - On borrowings | 87.09 | 87.00 |
| - On lease liabilities | 102.91 | 82.30 |
| Customer financing costs | 157.23 | 89.79 |
| Other | 29.17 | 27.87 |
| | 376.40 | 286.96 |

32. Depreciation and amortisation expense

| | March 31, 2023 | March 31, 2022 |
|--|-----------------|-----------------|
| Depreciation of property, plant and equipment* | 1,839.67 | 1,900.91 |
| Amortisation of intangible assets | 133.98 | 136.96 |
| Depreciation of right to use assets | 558.87 | 474.11 |
| | 2,532.52 | 2,511.98 |

* Net of depreciation cross charged to group companies amounting to Rs. 122.77 lakhs (March 31, 2022 : Rs.130.81 lakhs)

33. Other expenses

| | March 31, 2023 | March 31, 2022 |
|---|------------------|------------------|
| Consumption of stores, spares and consumables | 374.74 | 324.71 |
| Power and fuel | 1,055.11 | 861.72 |
| Freight outward | 7,252.09 | 6,574.02 |
| Rent | 2,186.26 | 58.96 |
| Repairs and maintenance | | |
| Buildings | 162.24 | 81.83 |
| Plant and machinery | 112.03 | 147.73 |
| Others | 277.94 | 289.02 |
| Tailoring and fabrication | 3,235.48 | 3,093.63 |
| Rates and taxes | 295.89 | 126.46 |
| Expenditure on corporate social responsibility | 135.46 | 202.99 |
| Insurance expenses | 423.47 | 305.62 |
| Foreign currency exchange loss (net) | 9.46 | 16.51 |
| Fair value loss on mutual fund at fair value through profit or loss | 511.28 | - |
| Security expenses | 595.53 | 565.34 |
| Warehouse charges | 983.81 | 974.47 |
| Postage and telephone expenses | 97.12 | 134.42 |
| Payment to auditors* | 66.50 | 55.00 |
| Advertisement, promotion and selling expenses | 3,268.71 | 3,852.45 |
| Travelling and conveyance expenses | 932.10 | 916.95 |
| Legal and consultancy charges | 4,697.35 | 4,423.34 |
| Director's sitting fees | 3.75 | 1.67 |
| Loss on sale of property, plant and equipment | 291.72 | 152.21 |
| Advance to suppliers written off | 0.10 | - |
| Bad debts written off | 123.08 | 130.90 |
| Deposits written off | - | - |
| Provision for bad and doubtful debts | 73.78 | 594.68 |
| Provision for doubtful advances | - | 24.92 |
| Provision for warranty | 363.07 | 328.80 |
| Miscellaneous expenditure | 152.27 | 145.36 |
| | 27,680.34 | 24,383.71 |
| * Payment to auditors (excluding goods and service tax) | | |
| Audit services : | | |
| Statutory audit | 65.00 | 55.00 |
| Tax audit | - | - |
| Out of pocket expenses | 1.50 | - |
| | 66.50 | 55.00 |

33(A) Exceptional Item

| | March 31, 2023 | March 31, 2022 |
|--|-----------------|----------------|
| Provision for loans to related parties [Refer Note 8(a)] | 2,555.67 | 418.08 |
| | 2,555.67 | 418.08 |



Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2023

All amounts in Rs. Lakhs, unless otherwise stated

34. Earnings per share (EPS)

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Profit/(Loss) for the year | (1,317.45) | 357.96 |
| Weighted average number of equity shares outstanding (Basic and diluted) | 36,552,261 | 36,552,261 |
| Earnings per share (Basic and diluted) | (3.60) | 0.98 |

35. Segment reporting

The Company primarily is in the business of manufacture, purchase and sale of mattress, foam and related products. The Company does not distinguish revenues and expenses between different businesses in its internal reporting and reports costs and expenses by nature as a whole. The CODM reviews the results when making decision about allocating resources and assessing performance of the Company as a whole and hence, the Company has only one reportable segment. The Company operates and manages its business as a single segment. As the Company's assets are all located in India and the Company's revenues are derived from India, no geographical information is presented.

36. Related party disclosure**Names of related parties and related party relationships**Names of related parties where control exists irrespective of whether transactions have occurred or not

Holding Company Kanara Consumer Products Limited (Formerly known as Kurlon Limited)

Other related parties with whom transactions have taken place during the year**Wholly Owned Subsidiaries**

Kurlon Retail Limited
Komfort Universe Products & Services Limited
Belvedere International Limited
Kanvas Concepts Private Limited
Starship Value Chain and Manufacturing Private Limited
Home Komfort Retail LLP (Acquired by Belvedere International Limited w.e.f September 01, 2022)
Starship Global VCT LLP

Subsidiary Entities

Sevalal Solar Private Limited
Sirar Solar Energies Private Limited
Sirar Dhotre Solar Private Limited

Fellow subsidiaries

Manipal Software & E-Commerce Private Limited
Manipal Natural Extracts Private Limited

Enterprises owned or significantly influenced by key management personnel /Directors and their relatives

Maha Rashtra Apex Corporation Limited
Jayamahal Trade and Investments Private Limited
Manipal Advertising Services Private Limited
Metropolis Builders Private Limited
Jai Bharath Mills Private Limited
Manipal Travels Private Limited

Directors and Key Management Personnel (KMP)

Mr. T. Sudhakar Pai, Managing Director
Ms. Jaya S Pai, Director
Ms. Jyothi Pradhan, Chief Executive Officer
Mr. H N Shrinivas, Non-Executive Director (w.e.f May 07,2021)
Mr. Nagarajan S, Non-Executive Director (w.e.f May 07,2021)
Mr. Nitin G Khot, Non- Executive Director (up to May,07,2021)
Mr. S Ananthanarayanan, Non- Executive Director (up to May,07,2021)
Mr. Jamsheed Minoo Panday, Non- Executive Director (w.e.f September 01, 2022)
Mr. Abhilash Kamti, Chief Financial Officer (w.e.f June 01, 2022)
Mr. Ritesh Shroff, Chief Financial Officer (up to December 07, 2021)
Mr. Monu Kumar, Company Secretary



Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2023

All amounts in Rs. Lakhs, unless otherwise stated

36. Related party disclosure (Contd)

The transactions that have been entered into with related parties during the year are as follows:

| | March 31, 2023 | March 31, 2022 |
|---|-----------------|-----------------|
| <u>Sale of products</u> | | |
| Kurlon Retail Limited | 1,193.32 | 945.39 |
| Belvedere International Limited | 578.91 | - |
| Home Komfort Retail LLP | 391.84 | 988.94 |
| Komfort Universe Products & Services Limited | 76.56 | 4,990.85 |
| Manipal Advertising Services Private Limited | 0.05 | 0.30 |
| | 2,240.68 | 6,925.48 |
| <u>Scheme expenses</u> | | |
| Kurlon Retail Limited | 190.21 | 226.28 |
| Komfort Universe Products & Services Limited | 23.98 | 1,236.92 |
| Home Komfort Retail LLP | - | 0.05 |
| | 214.19 | 1,463.25 |
| <u>Interest income on loan given</u> | | |
| Komfort Universe Products and Services Limited | 27.17 | - |
| Kanvas Concepts Private Limited | 13.85 | - |
| Sirar Solar Energies Private Limited | 7.13 | 3.63 |
| Sirar Dhotre Solar Private Limited | 6.41 | 6.37 |
| Belvedere International Limited | 1.11 | - |
| Sevalal Solar Private Limited | 0.12 | 6.82 |
| | 55.79 | 16.82 |
| <u>Provision for doubtful recovery of interest income on loans</u> | | |
| Komfort Universe Products and Services Limited | 27.17 | - |
| Kanvas Concepts Private Limited | 13.85 | - |
| Belvedere International Limited | 1.11 | - |
| Sirar Solar Energies Private Limited | - | 3.63 |
| Sirar Dhotre Solar Private Limited | - | 6.37 |
| Sevalal Solar Private Limited | - | 6.82 |
| | 42.13 | 16.82 |
| <u>Rental income</u> | | |
| Starship Value Chain and Manufacturing Private Limited | 4.11 | - |
| Starship Global VCT LLP | - | 4.31 |
| | 4.11 | 4.31 |
| <u>Purchases</u> | | |
| Kanara Consumer Products Limited (formerly known as Kurlon Limited) | 9,079.51 | 8,749.41 |
| Komfort Universe Products & Services Limited | 43.86 | 8.81 |
| Belvedere International Limited | 35.61 | - |
| | 9,158.98 | 8,758.22 |
| <u>Managerial remuneration</u> | | |
| T Sudhakar Pai | 75.92 | 75.92 |
| Jyothi Pradhan | 73.89 | 79.07 |
| Ritesh Shroff | - | 41.83 |
| Abhilash Kamti | 18.00 | - |
| Monu Kumar | 13.63 | 12.77 |
| | 181.44 | 209.59 |
| <u>Repair & Maintenance - Others</u> | | |
| Kanara Consumer Products Limited (formerly known as Kurlon Limited) | 71.50 | - |
| Kurlon Retail Limited | 0.10 | - |
| | 71.60 | - |
| <u>Interest paid on unsecured loan</u> | | |
| Jaya S Pai | 62.63 | 52.88 |
| | 62.63 | 52.88 |



Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2023

All amounts in Rs. Lakhs, unless otherwise stated

36. Related party disclosure (Contd)**Freight outward**

| | March 31, 2023 | March 31, 2022 |
|--|-----------------|-----------------|
| Starship Global VCT LLP | - | 4,436.18 |
| Starship Value Chain and Manufacturing Private Limited | 6,585.84 | 1,290.94 |
| | 6,585.84 | 5,727.12 |

Warehouse charges

| | | |
|--|---------------|---------------|
| Starship Global VCT LLP | - | 799.94 |
| Starship Value Chain and Manufacturing Private Limited | 983.81 | 174.53 |
| | 983.81 | 974.47 |

Legal and consultancy charges

| | | |
|---|-----------------|-----------------|
| Starship Value Chain and Manufacturing Private Limited | 2,825.26 | 560.59 |
| Starship Global VCT LLP | - | 2,282.90 |
| Manipal Software & E-Commerce Private Limited | 403.30 | 344.38 |
| Komfort Universe Products & Services Limited | 55.53 | - |
| Kanara Consumer Products Limited (formerly known as Kurlon Limited) | 50.66 | - |
| Kanvas Concepts Private Limited | - | 33.34 |
| | 3,334.75 | 3,221.21 |

Advertisement and sales promotion expenses

| | | |
|--|---------------|-----------------|
| Komfort Universe Products & Services Limited | 211.74 | 10.00 |
| Manipal Advertising Services Private Limited | 668.26 | 1,301.93 |
| Kurlon Retail Limited | 2.92 | 47.75 |
| Belvedere International Limited | 39.13 | - |
| Kanvas Concepts Private Limited | - | 18.75 |
| | 922.05 | 1,378.43 |

Travelling and conveyance expenses

| | | |
|--|---------------|---------------|
| Manipal Travels (India) Private Limited | 247.28 | 134.31 |
| Komfort Universe Products & Services Limited | 9.72 | - |
| | 257.00 | 134.31 |

Sitting fees

| | | |
|-----------------------|-------------|-------------|
| H N Shrinivas | 1.17 | 0.39 |
| S Nagarajan | 1.17 | 0.39 |
| Jaya S Pai | 1.02 | 0.64 |
| Jamsheed Minoo Panday | 0.39 | - |
| Nitin G Khot | - | 0.13 |
| S Ananthanarayanan | - | 0.13 |
| | 3.75 | 1.68 |

Dividend paid

| | March 31, 2023 | March 31, 2022 |
|---|----------------|-----------------|
| Kanara Consumer Products Limited (formerly known as Kurlon Limited) | 162.09 | 1,546.24 |
| | 162.09 | 1,546.24 |

Reimbursement of expenses to related parties

| | | |
|--|---------------|---------------|
| Komfort Universe Products & Services Limited | 298.73 | 13.23 |
| Home Komfort Retail LLP | 123.48 | 180.74 |
| Starship Value Chain and Manufacturing Private Limited | 0.34 | - |
| Kurlon Retail Limited | - | 99.09 |
| Kanvas Concepts Private Limited | - | 18.75 |
| | 422.55 | 311.81 |

Lease Rentals to related parties

| | | |
|---|-----------------|--------------|
| Kanara Consumer Products Limited (formerly known as Kurlon Limited) | 2,209.00 | 18.00 |
| Metropolis Builders Private Limited | 29.78 | 28.25 |
| Jai Bharath Mills Private Limited | 6.00 | 6.00 |
| Jayamahar Trade and Investments Private Limited | 22.94 | 20.85 |
| | 2,267.72 | 73.10 |



Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2023

All amounts in Rs. Lakhs, unless otherwise stated

36. Related party disclosure (Contd)

The balances receivable from and payable to related parties as at year end are as follows :

| | March 31, 2023 | March 31, 2022 |
|---|------------------|-----------------|
| <u>Investment in subsidiaries</u> | | |
| Kurlon Retail Limited | 1,760.00 | 1,760.00 |
| Sevalal Solar Private Limited | 4.69 | 4.69 |
| Sirar Dhotre Solar Private Limited | 4.69 | 4.69 |
| Sirar Solar Energies Private Limited | 4.69 | 4.69 |
| Komfort Universe Products & Services Limited | 5.00 | 5.00 |
| Belvedere International Limited | 5.00 | 5.00 |
| Kanvas Concepts Private Limited | 1.00 | 0.50 |
| Starship Manufacturing and Services Private Limited | 0.50 | 1.00 |
| | 1,785.57 | 1,785.57 |
| <u>Capital advances</u> | | |
| Maha Rashtra Apex Corporation Limited | 1,222.76 | 1,222.76 |
| Kanara Consumer Products Limited (formerly known as Kurlon Limited) | - | 622.00 |
| | 1,222.76 | 1,844.76 |
| <u>Security deposit</u> | | |
| Jayamahala Trade and Investments Private Limited | 9.00 | 9.00 |
| Metropolis Builders Private Limited | 30.00 | 30.00 |
| Jai Bharath Mills Private Limited | 30.00 | 30.00 |
| Kanara Consumer Products Limited (formerly known as Kurlon Limited) | 15,300.00 | - |
| | 15,369.00 | 69.00 |
| <u>Trade receivables</u> | | |
| Belvedere International Limited | 175.68 | - |
| Komfort Universe Products & Services Limited | 474.63 | 218.14 |
| Starship Value Chain and Manufacturing Private Limited | 0.74 | - |
| Home Komfort Retail LLP | 41.09 | - |
| Manipal Advertising Services Private Limited | 0.06 | - |
| | 692.20 | 218.14 |
| <u>Loan to related parties (Gross)</u> | | |
| Kurlon Retail Limited | 2,398.69 | 2,601.34 |
| Kanvas Concepts Private Limited | 162.91 | 162.76 |
| Komfort Universe Products & Services Limited | 412.15 | 81.40 |
| Sirar Solar Energies Private Limited | 98.71 | 74.59 |
| Sirar Dhotre Solar Private Limited | 81.78 | 68.81 |
| Sevalal Solar Private Limited | 22.08 | 30.53 |
| Belvedere International Limited | 13.01 | 13.01 |
| | 3,189.33 | 3,032.44 |
| <u>Loss allowance on loans given to related parties</u> | | |
| Kurlon Retail Limited | 2,398.69 | - |
| Kanvas Concepts Private Limited | 162.91 | 162.76 |
| Komfort Universe Products & Services Limited | 412.15 | 81.40 |
| Sirar Solar Energies Private Limited | - | 74.59 |
| Sirar Dhotre Solar Private Limited | - | 68.81 |
| Sevalal Solar Private Limited | - | 30.53 |
| | 2,973.75 | 418.08 |
| <u>Interest income receivable</u> | | |
| Sevalal Solar Private Limited | 0.12 | 6.82 |
| Sirar Dhotre Solar Private Limited | 6.41 | 6.37 |
| Sirar Solar Energies Private Limited | 7.13 | 3.63 |
| | 13.66 | 16.82 |
| <u>Advance against supply of goods and services to related parties</u> | | |
| Kanara Consumer Products Limited (formerly known as Kurlon Limited) | 7,433.58 | 4,295.19 |
| Starship Global VCT LLP | 280.37 | 280.37 |
| Manipal Advertising Services Private Limited | - | 140.00 |
| | 7,713.95 | 4,715.56 |
| <u>Unsecured loans payable</u> | | |
| Jaya S Pai | 650.00 | 676.30 |
| | 650.00 | 676.30 |



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All amounts in Rs. Lakhs, unless otherwise stated

35. Related party disclosure (contd.)

| | March 31, 2023 | March 31, 2022 |
|---|-----------------|-----------------|
| Trade payables | | |
| Komfort Universe Products and Services Private Limited | 732.90 | - |
| Belvedere International Limited | 40.67 | - |
| Jai Bharath Mills Private Limited | 5.40 | 0.45 |
| Manipal Advertising Services Private Limited | 3.03 | - |
| Manipal Software & E-Commerce Private Limited | 32.86 | 45.38 |
| Manipal Travels Private Limited | - | 10.73 |
| Starship Value Chain and Manufacturing Private Limited | 781.81 | 1,131.93 |
| | 1,596.67 | 1,188.49 |
| Advance from customers | | |
| Home Komfort Retail LLP | 0.38 | 22.19 |
| | 0.38 | 22.19 |
| Lease liabilities | | |
| Jayamahar Trade and Investments Private Limited | 153.70 | 163.90 |
| Metropolis Builders Private Limited | 86.67 | 108.55 |
| Kanara Consumer Products Limited (formerly known as Kurlon Limited) | - | 96.24 |
| Jai Bharath Mills Private Limited | - | 5.75 |
| | 240.37 | 374.44 |

37. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development

| | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | |
| Principal amount due to micro and small enterprises | 279.97 | 323.91 |
| Interest due on above | 33.12 | 31.54 |
| | 313.09 | 355.45 |
| The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006. | 1.58 | 21.32 |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | 33.12 | 31.54 |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006 | 31.54 | - |

The information given above is to the extent such parties have been identified by the Company on the basis of information disclosed by the suppliers.

38. Leases**Short-term leases and lease of low-value assets**

The Company also has certain leases with lease terms of 12 months or less and leases of properties with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Rental expenses of Rs. 2,186.26 lakhs (March 31, 2022: Rs. 58.96 lakhs) have been recognised in the statement of profit and loss.



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39. Contingent liabilities and capital commitments**(a) Contingent liabilities**

| | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Claims against the Company not acknowledged as debts | | |
| Disputed demands under appeal not provided | | |
| - Income tax | 1,072.45 | 1,072.45 |
| - Sales tax | 4,293.80 | 4,394.26 |
| - Excise duty | 2,212.13 | 2,212.13 |
| - GST | 636.97 | - |

The Company is contesting these demands and the management, based on the advise from its tax consultants, believes that its position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for these demands raised as of March 31, 2023. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(b) Capital commitments

| | March 31, 2023 | March 31, 2022 |
|---------------------------------------|----------------|----------------|
| Capital commitments (net of advances) | 21.04 | 35.21 |

40. Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The primary function of the Committee is to assist the Board of Directors in formulating a CSR Policy and review the implementation and progress of the same from time to time. The CSR policies focus on enhancing the quality of life and economic well being of the communities in accordance with the Schedule VII of the Companies Act, 2013. The Company has spent towards various schemes of corporate social responsibility as prescribed under Section 135 of the Companies Act, 2013, as approved by the Board of Directors of the Company.

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Gross amount required to be spent by the Company during the year | 142.94 | 217.01 |

Amount spent during the year ended March 31, 2023

| | In cash | Yet to be paid in cash | Total |
|------------------------------------|---------|------------------------|--------|
| Construction/acquisition of assets | - | - | - |
| On purpose other than above | 135.46 | - | 135.46 |

Amount spent during the year ended March 31, 2022

| | In cash | Yet to be paid in cash | Total |
|------------------------------------|---------|------------------------|--------|
| Construction/acquisition of assets | - | - | - |
| On purpose other than above | 202.99 | - | 202.99 |

In case of Section 135(5) (Other than ongoing projects)

| | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Opening balance | 7.98 | 22.00 |
| Amount required to be spent during the year | 142.94 | 217.01 |
| Amount spent during the year | 135.46 | 202.99 |
| Closing balance * | 0.50 | 7.98 |

* Represents excess amount spent on the corporate social responsibility which will be utilised in subsequent period.

The Company does not have any ongoing project as per section 135(6) of the Companies Act, 2013.



41. Employee benefits

Defined contribution plans

The Company makes contributions for qualifying employees to Provident Fund, Employee state insurance and labour welfare fund. During the year, the Company recognised Rs. 213.58 lakhs (March 31, 2022 : Rs 230.18 lakhs) towards Provident fund contributions, Rs 8.13 lakhs (March 31, 2022 : Rs 14.66 lakhs) towards Employee State Insurance scheme contributions and Rs. 0.06 (March 31, 2022 : Rs 0.13 lakhs) lakhs towards Labour Welfare fund.

Post-employment obligation - Gratuity

The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972 ('Gratuity Act') under which an employee who has completed five years of service is entitled to specific benefit. The amount of benefit provided depends on the employee's length of service and salary at retirement/termination date. The plan is funded by the company.

The following tables summarises the amounts recognised in the standalone financial statements :

Balance Sheet

| | March 31, 2023 | March 31, 2022 |
|----------------------------|----------------|----------------|
| Defined benefit obligation | 731.30 | 673.94 |
| Plan assets | 612.39 | 460.78 |
| Net liability | 118.91 | 213.16 |
| Current | 74.45 | 86.69 |
| Non-current | 44.46 | 126.47 |

Changes in the present value of defined benefit obligation

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Balance at the beginning of the year | 673.94 | 523.48 |
| Service cost | 57.36 | 57.36 |
| Interest cost | 44.94 | 30.09 |
| Remeasurements - Actuarial loss/(gain) | 42.39 | 187.02 |
| Benefit paid | (87.33) | (124.01) |
| Balance at end of the year | 731.30 | 673.94 |

Changes in the fair value of plan assets

| | March 31, 2023 | March 31, 2022 |
|--------------------------------------|----------------|----------------|
| Balance at the beginning of the year | 460.78 | 506.26 |
| Contributions made | 201.67 | 11.85 |
| Interest income | 36.93 | 29.35 |
| Payments | (87.33) | (124.01) |
| Return on plan assets | 0.34 | 37.33 |
| Balance at end of the year | 612.39 | 460.78 |

Statement of profit and loss

| | March 31, 2023 | March 31, 2022 |
|-----------------------------|----------------|----------------|
| Service cost | 57.36 | 57.36 |
| Interest cost net of income | 8.01 | 0.74 |
| Total | 65.37 | 58.10 |

Other comprehensive (income)/loss

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Remeasurements - Actuarial loss/(gain) | 42.39 | 187.02 |
| Return on plan assets | (0.34) | (37.33) |
| Total | 42.05 | 149.69 |

Principal assumptions used in determining defined benefit obligation

| | March 31, 2023 | March 31, 2022 |
|--------------------------------|----------------|----------------|
| Discount rate | 7.50% | 7.13% |
| Expected return on plan assets | 7.13% | 6.52% |
| Salary escalation | 5.00% | 5.00% |
| Employee turnover | 10.00% | 10.00% |

The categories of plan assets as a percentage of the fair value of total plan assets are as follows :

| | March 31, 2023 | March 31, 2022 |
|-------------------------------------|----------------|----------------|
| Investment with insurance companies | 100.00% | 100.00% |

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.



41. Employee benefits - (Contd)

Sensitivity analysis of significant assumptions

The following table presents a sensitivity analysis to one of the relevant actuarial assumptions, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

| | March 31, 2023 | March 31, 2022 |
|--------------------------|----------------|----------------|
| Discount rate | | |
| 1% increase | (43.27) | (43.67) |
| 1% decrease | 48.87 | 49.56 |
| Salary escalation | | |
| 1% increase | 45.59 | 46.90 |
| 1% decrease | (41.89) | (42.27) |
| Employee turnover | | |
| 1% increase | 5.54 | 4.51 |
| 1% decrease | (6.17) | (5.05) |

Maturity profile of defined benefit obligation

| | March 31, 2023 | March 31, 2022 |
|------------------|----------------|----------------|
| Within 1 year | 78.52 | 50.67 |
| 1-2 year | 72.77 | 63.75 |
| 2-3 year | 78.48 | 57.15 |
| 3-4 year | 77.43 | 65.81 |
| 4-5 year | 32.98 | 54.16 |
| 5-10 year | 219.11 | 192.20 |
| 10 years onwards | 172.02 | 190.19 |

The average duration of the defined benefit obligation at the end of the reporting year is 9.12 years (March 31, 2022: 9.73 years).

(This space has intentionally been left blank)



42. Financial instruments

All financial assets and liabilities for which fair value is measured or disclosed in these standalone financial statements are categorised within the fair value hierarchy as below, based on the lowest level input that is significant to the fair value measurement as a whole :

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The carrying values and fair value measurement hierarchy of the Company's financial assets and financial liabilities are as below :

| | March 31, 2023 | | March 31, 2022 | |
|--|------------------|------------------|------------------|------------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| Financial assets measured at fair value through profit and loss | | | | |
| <u>Current assets</u> | | | | |
| Investments | 1,602.30 | 1,602.30 | 10,710.91 | 10,710.91 |
| | 1,602.30 | 1,602.30 | 10,710.91 | 10,710.91 |
| Financial assets measured at amortised cost | | | | |
| <u>Non-current assets</u> | | | | |
| Investments | 1,785.57 | 1,785.57 | 1,785.57 | 1,785.57 |
| Loans | 215.89 | 215.89 | 2,614.36 | 2,614.36 |
| Other financial assets | 2,590.03 | 2,590.03 | 665.71 | 665.71 |
| <u>Current assets</u> | | | | |
| Trade receivables | 5,868.23 | 5,868.23 | 5,446.95 | 5,446.95 |
| Cash and cash equivalents | 214.01 | 214.01 | 147.50 | 147.50 |
| Other bank balances | 149.31 | 149.31 | 4,247.50 | 4,247.50 |
| Loans | 10.00 | 10.00 | 56.74 | 56.74 |
| Other financial assets | 15,568.74 | 15,568.74 | 158.79 | 158.79 |
| | 26,401.78 | 26,401.78 | 15,123.12 | 15,123.12 |
| Financial liabilities measured at amortised cost | | | | |
| <u>Non-current liabilities</u> | | | | |
| Lease liabilities | 921.21 | 921.21 | 547.88 | 547.88 |
| Other financial liabilities | 5,781.90 | 5,781.90 | 5,361.77 | 5,361.77 |
| <u>Current liabilities</u> | | | | |
| Borrowings | 1,660.91 | 1,660.91 | 687.56 | 687.56 |
| Lease liabilities | 413.24 | 413.24 | 454.78 | 454.78 |
| Trade payables | 12,027.30 | 12,027.30 | 11,670.22 | 11,670.22 |
| Other financial liabilities | 917.38 | 917.38 | 1,085.21 | 1,085.21 |
| | 21,721.94 | 21,721.94 | 19,807.42 | 19,807.42 |

43. Financial risk management objectives and policies

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse and set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company's Board of Directors is assisted in its oversight role by the internal audit who undertakes regular reviews of risk management controls and procedures, the results of which are reported to the Board of Directors. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(a) Market risk

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates which will affect the Company's income or the value of its financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency payables.



43. Financial risk management objectives and policies (contd.)

i. Currency risk

The Company's exposure to currency risk as at year end is as below :

| | March 31, 2023 | | | March 31, 2022 | | |
|-------------------------|----------------|------------------|-----------|----------------|------------------|-----------|
| | Currency | Foreign currency | Rs. Lakhs | Currency | Foreign currency | Rs. Lakhs |
| Trade payables | USD | 119,988 | 99.59 | USD | 360,732 | 272.58 |
| | EUR | 31,113 | 27.03 | EUR | 40,529 | 34.89 |
| Advances from customers | USD | - | - | USD | 2,242 | 1.70 |
| Advance to suppliers | USD | - | - | USD | 53,257 | 40.81 |
| | EUR | - | - | EUR | 6,223 | 5.42 |
| Trade receivables | USD | 27,732 | 22.39 | USD | 24,859 | 18.70 |

Basis point

+5%

-5%

| | March 31, 2023 | March 31, 2022 |
|------------------------------------|----------------|----------------|
| Effect on profit before tax | | |
| | (5.21) | (12.21) |
| | 5.21 | 12.21 |

ii. Interest rate risk

Interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The Company's borrowings are at fixed and floating interest rate and are carried at amortised cost.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's loss before tax is affected through the impact on floating rate borrowings, as follows :

Basis point

+1%

-1%

| | March 31, 2023 | March 31, 2022 |
|------------------------------------|----------------|----------------|
| Effect on profit before tax | | |
| | (10.11) | - |
| | 10.11 | - |

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables, loans and other assets.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating review and individual credit limits are defined in accordance with this assessment. The Company regularly monitors its outstanding customer receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The loans to subsidiaries are unsecured loans. The management makes an assessment, of the credit risk on the loans based on the evaluation of the subsidiary's ability to repay the loans, as at date of reporting. The Company uses expected credit loss model to assess the impairment loss. Based on an evaluation of the credit risk of the subsidiaries, loss allowance on the loans and on interest accrued thereon have been recognised.

Cash and cash equivalents, investments and other bank balances are neither past due nor impaired. Cash and cash equivalents include short-term highly liquid fixed deposits with banks which having maturity less than three months.

The movement in respect of allowance for expected credit losses is as follows :

| | Trade receivables | | Loans & other financial assets | | Other assets | |
|--|-------------------|-----------------|--------------------------------|----------------|----------------|----------------|
| | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 |
| At the beginning of the year | 1,592.89 | 1,045.17 | 434.90 | - | 24.92 | - |
| Allowance created/(reversed) during the year | 73.53 | 547.72 | 2,580.97 | 434.90 | - | 24.92 |
| At the end of the year | 1,666.42 | 1,592.89 | 3,015.87 | 434.90 | 24.92 | 24.92 |



43. Financial risk management objectives and policies (contd.)

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below provides details regarding the undiscounted contractual maturities of financial liabilities :

| | Less than 1 year | 1 to 5 years | More than 5 years | Total |
|-----------------------------|------------------|-----------------|-------------------|------------------|
| March 31, 2023 | | | | |
| Borrowings | 1,660.91 | - | - | 1,660.91 |
| Lease liabilities | 430.23 | 1,073.13 | 100.94 | 1,604.30 |
| Trade payables | 12,027.30 | - | - | 12,027.30 |
| Other financial liabilities | 917.38 | 5,781.90 | - | 6,699.28 |
| Total | 15,035.82 | 6,855.03 | 100.94 | 21,991.79 |
| March 31, 2022 | | | | |
| Borrowings | 687.56 | - | - | 687.56 |
| Lease liabilities | 474.40 | 554.08 | 162.18 | 1,190.66 |
| Trade payables | 11,670.22 | - | - | 11,670.22 |
| Other financial liabilities | 1,085.21 | 5,361.77 | - | 6,446.98 |
| Total | 13,917.39 | 5,915.85 | 162.18 | 19,995.42 |

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no significant liquidity risk is perceived.

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Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

44. Income tax

Income tax expense in the statement of profit and loss consists of:

| Statement of profit or loss | March 31, 2023 | March 31, 2022 |
|---|-----------------|-----------------|
| Current tax | 647.68 | 475.96 |
| Deferred tax charge/(credit) | (1,059.70) | (685.08) |
| Income tax expense/(credit) | (412.02) | (209.12) |
| Tax relating to earlier years | (45.49) | (130.20) |
| Income tax expense/(credit) reported in the statement of profit and loss | (457.51) | (339.32) |
| Income tax recognised in other comprehensive income/(loss) | | |
| - Tax arising on income and expense recognised in other comprehensive income/(loss) | 10.58 | 37.68 |
| Total | 10.58 | 37.68 |

The reconciliation between the provision for income tax of the Company and amounts computed by applying the Indian income tax rate to profit/(loss) before taxes is as follows:

| | March 31, 2023 | March 31, 2022 |
|---|-----------------|-----------------|
| Profit/(Loss) before tax | (1,774.96) | 18.64 |
| Enacted income tax rate in India | 25.17% | 25.17% |
| Computed expected tax expense/(credit) | (446.76) | 4.69 |
| Effect of: | | |
| (Reversal)/Creation of deferred tax liability on goodwill | - | (297.74) |
| Reversal of provision for current tax relating to earlier year | (45.49) | (130.20) |
| Tax charge on disallowance of corporate social responsibility expenditure | 34.10 | 51.09 |
| Others | 0.64 | 32.84 |
| Total income tax expense | (457.51) | (339.32) |

Deferred tax

Deferred tax relates to the following:

| | Balance Sheet | | Statement of Profit and Loss | |
|---|-------------------|-------------------|------------------------------|-----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Property, plant and equipment | (1,588.11) | (1,718.31) | (130.20) | (56.64) |
| Right of use assets | (594.64) | (516.30) | 78.34 | 131.40 |
| Goodwill | (231.58) | (231.58) | - | (297.79) |
| Marked to market on mutual fund investment | - | (143.47) | (143.47) | 52.92 |
| Gross deferred tax liability | (2,414.33) | (2,609.66) | (195.33) | (170.11) |
| Deferred tax asset | | | | |
| Temporary differences arising on account of disallowance under section 36(1)(vii) | 1,185.98 | 524.21 | (661.77) | (261.14) |
| Section 43B disallowance | 72.45 | 69.65 | (2.80) | (69.65) |
| Section 35DD disallowance on amalgamation expenses | 4.45 | 12.62 | 8.17 | 8.17 |
| Lease liabilities | 335.89 | 252.35 | (83.54) | (140.06) |
| Provision for gratuity | 29.93 | 52.29 | 22.36 | (52.29) |
| Provision for leave encashment | 18.11 | - | (18.11) | - |
| Marked to market on mutual fund investment | 128.68 | - | (128.68) | - |
| Net deferred tax assets (net) | (638.84) | (1,698.54) | (1,059.70) | (685.08) |
| Net deferred tax credit/(charge) | | | (1,059.70) | (685.08) |



45. Ratio analysis and its elements

| Ratio | Numerator | Denominator | March 31, 2023 | March 31, 2022 | % change | Reason for variance exceeding 25% as compared to the preceding period |
|---------------------------------|--|---|----------------|----------------|----------|---|
| Current ratio | Current assets | Current liabilities | 2.46 | 2.54 | -3% | |
| Debt equity ratio | Total debt | Shareholder's equity | 0.03 | 0.01 | 149% | Due to increase in borrowings & incurring loss in current year leading to the deterioration of the ratio. |
| Debt service coverage ratio | Earnings for debt service = Net profits after taxes + Non cash operating | Debt service = Interest and lease payments + Principal repayments | 2.99 | 3.35 | -11% | |
| Return on equity ratio | Net profits after taxes - Preference dividend | Average shareholder's equity | -0.03 | 0.01 | -480% | Due to increase in loss in current year leading to the deterioration of the ratio. |
| Inventory turnover ratio | Cost of goods sold | Average inventory | 4.97 | 4.01 | 24% | |
| Trade receivable turnover ratio | Net credit sales = Gross credit sales - sales return | Average trade receivable | 14.90 | 14.14 | 5% | |
| Trade payable turnover ratio | Net credit purchases = Gross credit purchases - purchase return | Average trade payables | 6.11 | 6.95 | -12% | |
| Net capital turnover ratio | Net sales = Total sales - sales return | Working capital = Current assets - Current liabilities | 3.42 | 3.32 | 3% | |
| Net profit ratio | Net profit | Net sales = Total sales - Sales return | -0.02 | 0.00 | -437% | Due to increase in loss in current year leading to the deterioration of the ratio. |
| Return on capital employed | Earnings before interest and taxes | Capital employed = Tangible net worth + Total debt + Deferred tax | -0.03 | 0.01 | -572% | Due to increase in loss in current year leading to the deterioration of the ratio. |
| Return on investment | Interest (Finance income) + profit on sale of | Investment | 0.06 | 0.04 | 57% | Due to sale of investments in current year leading to the improvement of the ratio. |

46. Other statutory information

- (i) The Company do not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
(ii) The Company does not have any transactions with companies struck off except as follows:

| Name of the Struck off Company | Nature of transaction with struck off company | Amount Receivable |
|---------------------------------------|---|-------------------|
| Marz Furniture Center Private Limited | Sale of Furniture | 2.70 |

- (iii) The Company do not have any charges or satisfaction which is yet to be registered with the Registrar of Companies ("ROC") beyond the statutory period.
(iv) The Company have not traded or invested in crypto currency or virtual currency during the financial year.
(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
(vii) The Company have not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(This space has intentionally been left blank)



Kurlon Enterprise Limited

Notes to the standalone financial statements for the year ended March 31, 2023

All amounts in Rs. Lakhs, unless otherwise stated

47. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves. The primary objective of the Company's capital management is to maximize the shareholders value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or may issue new shares. The Company includes within net debt, borrowings net of cash and cash equivalents and other bank balances.

| | March 31, 2023 | March 31, 2022 |
|---|------------------|-------------------|
| Borrowings | 1,660.91 | 687.56 |
| Lease liabilities | 1,334.45 | 1,002.66 |
| Less: Cash and cash equivalents and other bank balances | (363.32) | (4,395.00) |
| Net debt (A) | 2,632.04 | (2,704.78) |
| Equity | 47,809.96 | 49,342.09 |
| Total equity capital (B) | 47,809.96 | 49,342.09 |
| Total debt and equity (C)=(A)+(B) | 50,442.00 | 46,637.31 |
| Gearing ratio (A)/(C) | 5% | -6% |

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

48. Subsequent to the Balance sheet date, on July 17, 2023, Sheela Foam Limited has entered into Share purchase agreement for acquiring shares held by Kanara Consumer Products Limited (formerly known as Kulron Limited) and Kurlon Trading and Invest management Private Limited in the company ("SPA"). The aforesaid transaction is subject to fulfillment of prescribed conditions as mentioned in SPA.

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Kurlon Enterprise Limited
Notes to the standalone financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

49. The comparative figures have been regrouped/reclassified, where necessary, to confine to this period's classification as per the amendments in Schedule III to the Companies Act, 2013, which are effective April 1, 2022

As per our report of even date

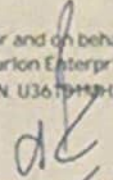
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004


per Rajeev Kumar
Partner
Membership No. 213803

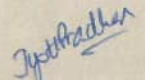


Place: Bengaluru
Date: August 29, 2023

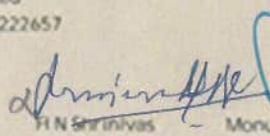
For and on behalf of Board of Directors of
Kurlon Enterprise Limited
CIN: U36701MH2011PLC222657


Tonse Sudhakar Pal
Managing Director
DIN: 00043298

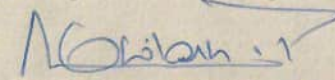
Place: San Diego, USA
Date: August 29, 2023


Jyothi Ashish Pradhan
Chief Executive Officer

Place: Bengaluru
Date: August 29, 2023


H N Srinivas
Director
DIN: 07178853

Place: Bengaluru
Date: August 29, 2023


Abhilash Padmanabh Kamti
Chief Financial Officer

Place: Bengaluru
Date: August 29, 2023



INDEPENDENT AUDITOR'S REPORT

To the Members of **Belvedere International Limited.**,

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying financial statements of **Belvedere International Limited** (the "Company"), which comprise the balance sheet as at March 31, 2023, and the statement of profit and loss (including other comprehensive income), and the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of Matter

1. We draw attention to Note.47 to the financial statements, as at 31st March 2023, which explains in detail the Business Transfer transaction and accounting treatment in the books of the transferee company, and the impact adjusted in other equity. Accordingly, the restatement of the Financials Statements is made from the first day of the comparative period presented. Our opinion is not modified in this regard.



2. We draw attention to Note.51 to the financial statements, as at 31st March 2023, the net worth of the company stands completely eroded and its current liabilities exceeds its current assets, these conditions indicate the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. However, the financial statement of the company has been prepared by the management, on the basis of internal assessment and is reasonably certain that the company would operate as a going concern and accordingly no adjustments are considered necessary in these financial statements. Our opinion is not modified in this matter.

Information Other than Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Director's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, the management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management and Board of Directors 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.
- Materiality is the magnitude of misstatement in the financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;



- (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- (g) With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act, in our opinion, according to the information and explanation give to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act, and
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has does not have any pending litigations as at March 31, 2023, on its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 48 to the financial statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company, or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 48 to the financial statement, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

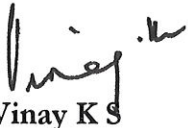


- (c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under para (iv) (a) & (b) above contain any material misstatement.
- v. The dividend declared/ paid during the year by the company is in compliance with section 123 of the Act.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from April 1, 2023, reporting under clause (g) of Rule 11 is not applicable.

For ASA & Associates LLP

Chartered Accountants

Firm Registration No: 009571N/N500006



Vinay K S

Partner

Membership No. 223085

UDIN: 23223085BGVUAI8808

Place: Bangalore

Date: 25th July 2023

Annexure - A to the Independent Auditors' Report for the year ended 31st March 2023

As referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date

- (i)
 - a) According to the information and explanations given to us and audit procedures performed by us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Intangible Assets.
 - b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to information and explanations given to us and audit procedures performed by us, the title deeds of all of the immovable properties (other than properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
 - d) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
 - e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii)
 - a) The company does not hold any physical inventories during the year. Accordingly reporting under clause 3(ii)(a) of the Order is not applicable.
 - b) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or any other parties. Accordingly, reporting under clause 3(iii)(a) to 3(iii)(f) of the Order is not applicable.



- (iv) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments nor has given loans or provided guarantee or security and therefore the relevant provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable to the Company. Accordingly, reporting under clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, reporting under clause 3(v) of the Order is not applicable.
- (vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it and/ or services provided by it. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii)
 - a) According to the information provided and explanations given to us and based on our examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it. There are no material outstanding statutory dues existing as on the last day of the financial year which is outstanding for more than six months from the day these become payable.
 - b) According to the information provided and explanations given to us, there are no statutory dues relating to Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information provided and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessment under the Income Tax Act, 1961 as income during the year and accordingly reporting under clause 3(viii) of the Order is not applicable.
- (ix)
 - a) According to the information and explanations given to us and on the basis of our examination of the records made available to us, The Company has not availed any loans and borrowings during the year. Accordingly, reporting under clause (ix)(a) of the Order is not applicable.
 - b) According to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.



- c) According to the information and explanations given to us, the Company has not obtained any term loans during the year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable.
 - d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the company has not raised any funds on short term basis during the current year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable.
 - e) The Company does not hold any investment in any subsidiary, associate or joint venture as defined under the Companies Act, 2013 during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable.
 - f) The Company does not hold any investment in any subsidiary, associate or joint venture as defined under the Companies Act, 2013 during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable.
- (x)
- a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable.
 - b) According to the information provided and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable.
- (xi)
- a) According to the information and explanations given by the management and based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements, we report that no fraud by the Company or any fraud on the Company has been noticed or reported during the year.
 - b) According to the information and explanations available with us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - c) As represented to us by the management, there have been no whistleblower complaints received by the Company during the year.

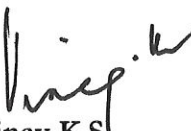


- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions entered with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and details have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- (xiv) a) According to the information and explanations given to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Companies Act, 2013.
 b) The Company is not required to and does not have an internal audit system as per Section 138 of the Companies Act, 2013. Accordingly, reporting under clause 3(xiv)(b) of the Order is not applicable.
- (xv) According to the information and explanations given to us, in our opinion the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
 b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities.
 c) The Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) and (d) of the Order are not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly reporting under clause 3(xviii) of the Order is not applicable.



- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 of the Companies Act, 2013 are not applicable to the company. Accordingly, reporting under clause 3(XX)(a) and (b) of the order are not applicable.

For **ASA & Associates LLP**
Chartered Accountants
Firm Registration No: 009571N/N500006


Vinay K S
Partner
Membership No. 223085

UDIN: 23223085BGVUAI8808

Place: Bengaluru
Date: 25th July 2023

Annexure - B to the Independent Auditors' Report for the year ended 31st March 2023.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Belvedere International Limited** (the "Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

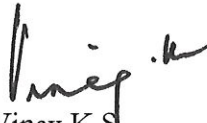
Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **ASA & Associates LLP**
Chartered Accountants
Firm Registration No: 009571N/N500006



Vinay K S
Partner
Membership No. 223085

UDIN: 23223085BGVUAI8808

Place: Bangalore
Date: 25th July 2023

BELVEDORE INTERNATIONAL LIMITED**Balance Sheet as at March 31, 2023****CIN : U52520KA2020PLC142418****(All amounts in Indian rupees lakhs, unless otherwise stated)**

| | Notes | As at March 31, 2023 | As at March 31, 2022 |
|--|-------|-------------------------|-------------------------|
| Assets | | | |
| Non- current assets | | | |
| Property, plant and equipment | 3 | 11.31 | - |
| Financial assets | | | |
| Trade receivables | 4 | - | 20.15 |
| Deferred tax assets (net) | 24 | 1.48 | - |
| | | 12.79 | 20.15 |
| Current assets | | | |
| Financial assets | | | |
| Trade receivables | 4 | 184.07 | 179.48 |
| Cash and cash equivalents | 5 | 43.65 | 13.62 |
| Other financials assets | 6 | 0.06 | - |
| Current tax asset (net) | 7 | 5.36 | - |
| Other current assets | 8 | 33.47 | 32.37 |
| | | 266.61 | 225.47 |
| Total assets | | 279.40 | 245.62 |
| Equity and liabilities | | | |
| Equity | | | |
| Equity share capital | 9 | 5.00 | 5.00 |
| Other equity | 10 | -137.76 | -44.10 |
| Total equity | | -132.76 | -39.10 |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Other financial liabilities | 11 | 53.70 | 41.35 |
| Provisions | 12 | 2.99 | - |
| | | 56.69 | 41.35 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 13 | 16.39 | 13.09 |
| Trade payables : | 14 | | |
| Dues of micro enterprises and small enterprises | | - | - |
| Dues of creditors other than micro enterprises and small enterprises | | 234.61 | 217.02 |
| Other financial liabilities | 15 | 11.13 | 0.11 |
| Other current liabilities | 16 | 13.23 | 12.74 |
| Provisions | 12 | 80.11 | - |
| Current tax liabilities | | - | 0.41 |
| | | 355.47 | 243.37 |
| Total liabilities | | 412.16 | 284.72 |
| Total equity and liabilities | | 279.40 | 245.62 |

Summary of significant accounting policies

1&2

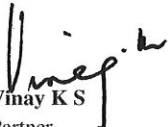
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For ASA & Associates LLP

Chartered Accountants

Firm registration number: 009571N/N500006



Vinay K S

Partner

Membership Number : 223085

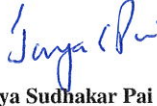
Place: Bangalore

Date: 25/07/2023

For and on behalf of Board of Directors of

Belvedere International Limited

CIN : U52520KA2020PLC142418



Jaya Sudhakar Pai

Director

DIN: 00030515

Place: Bangalore

Date: 25/07/2023



T Sudhakar Pai

Director

DIN: 00043298

Place: Bangalore

Date: 25/07/2023

BELVEDORE INTERNATIONAL LIMITED
Statement of Profit and Loss for the year ended March 31, 2023
CIN : U52520KA2020PLC142418
(All amounts in Indian rupees lakhs, unless otherwise stated)

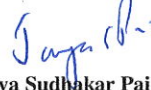
| | Notes | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|-------|--------------------------------------|--------------------------------------|
| Income | | | |
| Revenue from operations | 17 | 1,320.66 | 1,362.28 |
| Other income | 18 | 39.15 | 0.09 |
| Total income | | 1,359.81 | 1,362.37 |
| Expenses | | | |
| Purchase of Stock in trade | | 1,006.99 | 988.94 |
| Changes in Inventories of Traded Goods | 19 | - | 0.16 |
| Employee benefits expense | 20 | 93.67 | - |
| Finance cost | 21 | 1.63 | 0.03 |
| Depreciation and amortisation expense | 22 | 0.69 | - |
| Other expenses | 23 | 351.97 | 417.45 |
| Total expenses | | 1,454.95 | 1,406.58 |
| Profit / (Loss) before tax | | -95.14 | -44.21 |
| Tax expense | | | |
| Current tax | | - | - |
| Deferred tax | 24 | (1.48) | - |
| Total tax expense | | -1.48 | - |
| Profit/(loss) for the year | | -93.66 | -44.21 |
| Other comprehensive income | | | |
| Items that will not to be reclassified to profit or loss in subsequent years: | | | |
| Re-measurement gains/ (losses) on defined benefit plan | | - | - |
| Income tax effect | | - | - |
| Other comprehensive income for the year, net of tax | | - | - |
| Total Comprehensive Income/(loss) for the year | | -93.66 | -44.21 |
| Earnings/(Loss) per equity share ('EPS') | | | |
| (Nominal Value per equity share Rs. 10) | 25 | | |
| Basic and diluted | | -187.33 | -88.42 |
| Weighted average number of equity shares | | 50,000 | 50,000 |
| Summary of significant accounting policies | 1&2 | | |


The accompanying notes are an integral part of the financial statements.
As per our report of even date

For ASA & Associates LLP
Chartered Accountants
Firm registration number: 009571N/N500006


Vinay K S
Partner
Membership Number : 223085
Place: Bangalore
Date: 25/07/2023

For and on behalf of Board of Directors of
Belvedere International Limited
CIN : U52520KA2020PLC142418


Jaya Sudhakar Pai
Director
DIN: 00030515
Place: Bangalore
Date: 25/07/2023


T Sudhakar Pai
Director
DIN: 00043298
Place: Bangalore
Date: 25/07/2023


BELVEDORE INTERNATIONAL LIMITED
Statement of cash flow for the year ended March 31, 2023
CIN : U52520KA2020PLC142418
(All amounts in Indian rupees lakhs, unless otherwise stated)

| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Operating activities | | |
| Profit before tax | (95.14) | (44.21) |
| <i>Adjustments to reconcile profit before tax to net cash flows:</i> | | |
| Depreciation of property, plant and equipment | 0.69 | - |
| Finance costs | 1.63 | 0.03 |
| Working capital adjustments: | | |
| (Increase)/ decrease in trade receivables | 15.56 | 12.66 |
| (Increase)/ decrease in other financial and non-financial assets | (1.16) | (31.56) |
| Increase/ (decrease) in trade payables | 17.59 | 33.66 |
| Increase/ (decrease) in provisions | 82.69 | - |
| Increase/ (decrease) in other financial and non-financial liabilities | 23.87 | -10.90 |
| | 45.72 | (40.32) |
| Income tax paid | (5.36) | - |
| Net cash flows from/ (used in) operating activities (A) | 40.36 | (40.32) |
| Investing activities | | |
| Purchase of property, plant and equipment and intangibles | (12.00) | - |
| Net cash flows from/ (used in) investing activities (B) | (12.00) | - |
| Financing activities | | |
| Proceeds from borrowings | 3.30 | 31.04 |
| Finance costs | (1.63) | (0.03) |
| Net cash flows from/ (used in) financing activities (C) | 1.67 | 31.01 |
| Net increase/ (decrease) in cash and cash equivalents | 30.03 | (9.32) |
| Cash and cash equivalents at the beginning of the year | 13.62 | 22.94 |
| Effect of exchange fluctuations | - | - |
| Cash and cash equivalents at the end of the year | 43.65 | 13.62 |
| Components of cash and cash equivalents | | |
| Cash on hand | - | - |
| Balance with banks | | |
| - on current account | 43.65 | 13.62 |
| Total cash and cash equivalents | 43.65 | 13.62 |

Summary of significant accounting policies
As per our report of even date

1 & 2


For ASA & Associates LLP
Chartered Accountants
Firm registration number: 009571N/N500006


Vinay K S


Partner
Membership Number : 223085

Place: Bangalore
Date: 25/07/2023

For and on behalf of Board of Directors of
Belvedere International Limited
CIN : U52520KA2020PLC142418


Jaya Sudhakar Pai
Director
DIN: 00030515

Place: Bangalore
Date: 25/07/2023


T Sudhakar Pai
Director
DIN: 00043298

Place: Bangalore
Date: 25/07/2023

BELVEDORE INTERNATIONAL LIMITED**Statement of Changes in Equity**

(All amounts in Indian rupees lakhs, unless otherwise stated)

a. Equity share capital

| | No of Shares* | Amount |
|---|---------------|--------|
| Equity shares of INR 10 each issued, subscribed and fully paid | | |
| At March 31, 2021 | 50,000 | 5.00 |
| Issued during the year | - | - |
| At March 31, 2022 | 50,000 | 5.00 |
| Issued during the year | - | - |
| At March 31, 2023 | 50,000 | 5.00 |

*The number of shares are given in absolute number

b. Other equity**For the year ended March 31, 2023**

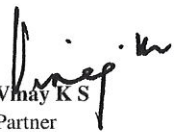
| | Reserves and Surplus | | Total |
|--|---|-------------------|-----------------|
| | Common control transactions capital reserve | Retained earnings | |
| At March 31, 2021 | | | |
| Profit/(Loss) for the year 2021-22 | - | (0.15) | (0.15) |
| Other comprehensive income | - | (44.22) | (44.22) |
| Total comprehensive income | - | (44.37) | (44.37) |
| Adjustment on account of Business transfer (April 1, 2021) | 0.27 | - | 0.27 |
| At March 31, 2022 | 0.27 | (44.37) | (44.10) |
| Profit/(Loss) for the year 2022-23 | - | (93.66) | (93.66) |
| Other comprehensive income | - | - | - |
| At March 31, 2023 | 0.27 | (138.03) | (137.76) |

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For ASA & Associates LLP**Chartered Accountants**

Firm registration number: 009571N/N500006



Vinay K S
Partner

Membership Number : 223085

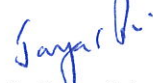
Place: Bangalore

Date: 25/07/2023

For and on behalf of Board of Directors of

Belvedere International Limited


CIN : U52520KA2020PLC142418



Jaya Sudhakar Pai
Director
DIN: 00030515

Place: Bangalore

Date: 25/07/2023



T Sudhakar Pai
Director
DIN: 00043298

Place: Bangalore

Date: 25/07/2023

BELVEDORE INTERNATIONAL LIMITED

Notes to accounts

1. CORPORATE INFORMATION

Belvedere International Limited was incorporated in Karnataka on 21.12.2020. The address of its registered office is N-301, 3rd Floor, North Block Manipal Centre 47 Dickenson Road Bangalore Bangalore KA 560042 The Company is a wholly owned subsidiary company of Kurlon Enterprise Limited and is engaged in the business of buying, selling, reselling, importing, exporting, transporting, storing, promoting, marketing, manufacturing or supplying, trading, dealing in any manner whatsoever in all type of goods including Mattresses, Pillows, Furniture and other related Products and Services of International Brands on retail and B2B basis in India.

The Company's Board of Directors authorised these standalone financial statements for issue on 25th July 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

A. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India.

B. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on a historical cost convention and on an accrual basis of accounting, except for Investments classified as Fair Value Through Profit or Loss ('FVTPL') /Fair Value Through Other Comprehensive Income ('FVTOCI'). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as current and non-current as per the Companies' normal operating cycle of 12 months. Current assets do not include assets which are not expected to be realised within 12 months and current liabilities include only items where the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The financial statements are presented in Indian Rupees lakhs unless otherwise stated.

The statements of cash flows have been prepared under the indirect method.

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

The company has prepared its financial statements as at 31st March 2023, by giving effect to the business transfer. We have applied pooling of interest method under Ind AS 103 (Business combinations) for accounting the transferor company's assets and liabilities in the books of the company. The acquisition date is considered of first date of comparative reporting period as specified under point 9(iii) of Appendix C of Ind AS 103. (Refer Note 47 for further Details)

Business combinations between entities under common control is accounted based on pooling of interest method, at carrying value of the assets acquired and liabilities assumed in the financial statements.

The identity of the reserves are preserved and appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately as Common Control Transactions Capital reserve.

BASIS OF MEASUREMENT

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items, which have been measured at fair value as required by relevant Ind AS:

a) The defined benefit liability/(asset) is recognised as the present value of defined benefit obligation less fair value of plan assets;

C. USE OF ESTIMATES

In preparation of the financial statements in conformity with the recognition and measurement principles of Ind AS, the Management has made estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities, as at the date of the financial statements, and the reported amounts of revenue and expenses during the year under report. Contingencies are recorded, when it is probable that a liability will be incurred and the amount can be reasonably estimated. Appropriate changes in the estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Actual results could differ from those estimates.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense prospectively.

Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation arising out of past events and it is probable that an outflow of economic resources would be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimates required to settle the obligation as at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements but are disclosed appropriately. A contingent asset is neither recognized nor disclosed in the financial statements.



D. REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when in the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of Govt. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

To recognise revenues, the Company applies the following five step approach:

- (1) Identify the contract with a customer,
- (2) identify the performance obligations in the contract,
- (3) determine the transaction price,
- (4) allocate the transaction price to the performance obligations in the contract, and
- (5) Recognise revenues when a performance obligation is satisfied.

Sale of goods:

Revenue from the sale of goods is recognised when i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, (ii) effective control over the goods sold, (iii) the amount of revenue can be measured reliably; (iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sales returns are recognized as and when ascertained and are reduced from the sales turnover of the year. Amounts disclosed as revenue are net of Goods & Service Tax, trade allowances, rebates and value added items.

Other Income

Interest income- Interest Income is recognised and accounted on the basis of the effective Interest rate method.

Dividend Income- Dividend income is accounted for when the right to receive is established.

E. TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

a) Income Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years (Temporary Differences) and items that are never taxable or deductible (Permanent Differences). The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

b) Deferred Tax

Deferred Tax assets and liabilities are recognized for the future tax consequences attributable to the timing differences that result between the profit offered for the income tax and profit as per financial statement of the company. Deferred tax assets on timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment/ substantive enactment date.

F. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at costs less accumulated depreciation (other than freehold land) and impairment loss, if any.

The cost includes purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation is provided for property, plant and equipment on the straight-line method over the estimated useful life from the date the assets are ready for intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Capital work in progress

Amount paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.



G. INTANGIBLE ASSETS

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Intangible assets are amortized on a straight line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss arising from Derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised/disposed.

Depreciation and amortization

Depreciation on Property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management. Intangible assets are amortized on a straight-line basis over the estimated useful economic life.

The useful lives estimated by the management are given below:

| Asset | Useful life (In Years) estimated by the management |
|----------|--|
| Vehicles | 8 |

In respect of plant and equipment, furniture and fixtures and vehicles, the management, basis internal assessment of usage pattern believes that the useful lives as mentioned above best represent the period over which management expects to use these assets.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Project specific assets are depreciated over the period of contract or useful life of the asset, whichever is lower.

Impairment of assets

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

H. FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A) Financial assets

Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit and loss (FVTPL)

Financial assets are measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognized in statement of profit and loss.

Foreign exchange gains and losses

The fair value of foreign assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For the foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in statement of profit and loss.



B) Financial liabilities and Equity

Financial liabilities at amortized cost

Financial liabilities are measured at amortized cost using effective interest method.

Equity instruments

An equity instrument is contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments

recognised by the Company are recognised at the proceeds received net off direct issue costs.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in "Other income". The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in the profit and loss.

I. CASH FLOW STATEMENT

The entity reports the cash flow from

a) Operating activities using indirect method by adjusting the profit or loss for the effects of transactions of non-cash nature, deferrals or accruals of past or future cash receipts or payments and item of income or expense associated with investing or financing cash flows.

b) From investing and financing activities by reporting separately the major cash receipts and cash payments that arises from investing and financing activities except to the extent permitted to be reported on net basis by IND AS -7.

J. RETIREMENT AND OTHER EMPLOYEE BENEFITS

Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits.

These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

Gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan(GratuityPlan)covering all employees. The Gratuity plan provides a lumpsum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the year so employment with the Company. The Company makes provision. Gratuity is accrued based on an actuarial valuation at the balance sheet date, carried out by an independent actuary. Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with charge or credit recognised in other comprehensive income in the period in which they occur.

Compensated absences

The cost of short term compensated absences are provided for based on estimates. The expected cost of accumulating compensated absences is determined by actuarial valuation at each balance sheet date measured based on the amounts expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss. The Company presents the entire obligation for compensated absences as a current liability in the balance sheet since it does not have an unconditional right to defer its settlement beyond 12 months from the reporting date.

K. EARNINGS PER SHARE (EPS)

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.



L. PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimates required to settle each obligation at balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

M. RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.



BELVEDORE INTERNATIONAL LIMITED**Notes to financial statements****(All amounts in Indian rupees lakhs, unless otherwise stated)****3 Property, plant and equipment**

| | Vehicles | Total |
|------------------------------------|-----------------|--------------|
| Gross carrying amount | | |
| At March 31, 2022 | - | - |
| Additions | 12.00 | 12.00 |
| Disposals | - | - |
| At March 31, 2023 | 12.00 | 12.00 |
| Depreciation and impairment | | |
| At March 31, 2022 | - | - |
| Charge for the year | 0.69 | 0.69 |
| Disposals | - | - |
| At March 31, 2023 | 0.69 | 0.69 |
| Net carrying value | | |
| At March 31, 2023 | 11.31 | 11.31 |



BELVEDORE INTERNATIONAL LIMITED

Notes to financial statements

(All amounts are disclosed in Indian rupees lakhs, unless otherwise stated)

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| 4 Trade receivables | | |
| (carried at amortised cost) | | |
| Trade receivables (Unsecured) | | |
| Considered good | | |
| Non-current | - | 20.15 |
| Current | 143.40 | 171.33 |
| Related parties | 40.67 | 8.15 |
| Trade Receivables which have significant increase in credit risk | - | - |
| | <u>184.07</u> | <u>199.62</u> |
| Less: Loss allowance | - | - |
| | <u>184.07</u> | <u>199.62</u> |

Note:

- a. Trade receivables are non-interest bearing and are generally on credit period of 30 days.
b. Trade receivables includes receivables from related parties. For details, refer note no 29.

Ageing Details For Trade Receivables

As at 31.03.2023

| Particulars | Outstanding for following periods from due date of payment / date of transaction | | | | | | Total |
|--|--|--------------------|-------------------|--------------|-------------|-------------------|---------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Billed receivables: | | | | | | | |
| Undisputed receivables: | | | | | | | |
| (a) Considered good | - | 134.63 | 24.58 | - | - | - | 159.21 |
| (b) which have significant increase in credit risk | - | - | - | 24.86 | - | - | 24.86 |
| Disputed receivables: | | | | | | | |
| (a) Considered good | - | - | - | - | - | - | - |
| (b) which have significant increase in credit risk | - | - | - | - | - | - | - |
| Unbilled receivables | - | - | - | - | - | - | - |
| Total | - | 134.63 | 24.58 | 24.86 | - | - | 184.07 |
| Total | | | | | | | 184.07 |

As at 31.03.2022

| Particulars | Outstanding for following periods from due date of payment / date of transaction | | | | | | Total |
|--|--|--------------------|-------------------|--------------|-------------|-------------------|---------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Billed receivables: | | | | | | | |
| Undisputed receivables: | | | | | | | |
| (a) Considered good | - | 145.69 | 33.79 | 20.14 | - | - | 199.62 |
| (b) which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed receivables: | | | | | | | |
| (a) Considered good | - | - | - | - | - | - | - |
| (b) which have significant increase in credit risk | - | - | - | - | - | - | - |
| Unbilled receivables | - | - | - | - | - | - | - |
| Total | - | 145.69 | 33.79 | 20.14 | - | - | 199.62 |
| Total | | | | | | | 199.62 |

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| 5 Cash and cash equivalents | | |
| Balances with banks | | |
| On Current accounts | 43.65 | 13.62 |
| Cash on hand | - | - |
| | <u>43.65</u> | <u>13.62</u> |
| 6 Other financial assets | | |
| Current | | |
| (Unsecured, considered good) | | |
| Advance to employees | 0.06 | - |
| | <u>0.06</u> | <u>-</u> |
| 7 Current tax asset (Net) | | |
| Tax credit (net of provision for income tax) | 5.36 | - |
| | <u>5.36</u> | <u>-</u> |
| 8 Other current assets | | |
| Balances with statutory / government authorities | 12.62 | 10.18 |
| Advance to suppliers | 20.85 | 22.20 |
| | <u>33.47</u> | <u>32.37</u> |



BELVEDORE INTERNATIONAL LIMITED

Notes to financial statements

(All amounts are disclosed in Indian rupees lakhs, unless otherwise stated)

9 Share Capital

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Authorised share capital | | |
| 50,000 equity shares of INR 10 per share (March 31, 2022: 50,000) | 5.00 | 5.00 |
| | 5.00 | 5.00 |
| Issued, subscribed and fully paid-up shares | | |
| 50,000 equity shares of INR 10 per share (March 31, 2022: 50,000) | 5.00 | 5.00 |
| | 5.00 | 5.00 |

(a) Shareholding of promoters

The details of the shares held by promoters are as follows :

| Promotor Name | As at March 31, 2023 | | | As at March 31, 2022 | | |
|-------------------------------------|-------------------------|------------------|--------------------------|-------------------------|------------------|--------------------------|
| | No of Shares* | % of total share | % change during the year | No of Shares* | % of total share | % change during the year |
| Kurlon Enterprise Limited - HC | 49,940 | 99.88% | - | 49,940 | 99.88% | - |
| Manipal holdings private limited | 10 | 0.02% | - | 10 | 0.02% | - |
| Metropolis builders private limited | 10 | 0.02% | - | 10 | 0.02% | - |
| Jyothi Ashish Pradhan | 10 | 0.02% | - | 10 | 0.02% | - |
| Jaya s pai | 10 | 0.02% | - | 10 | 0.02% | - |
| T. Sudhakar pai | 10 | 0.02% | - | 10 | 0.02% | - |
| Mr. Ashish Vilas Pradhan | 10 | 0.02% | - | 10 | 0.02% | - |
| Total | 50,000 | 100% | - | 50,000 | 100% | - |

(b) Reconciliation of the shares outstanding at the beginning and end of the reporting year

| | As at March 31, 2023 | | As at March 31, 2022 | |
|------------------------------------|-------------------------|-------------|-------------------------|-------------|
| | No of Shares* | Amount | No of Shares* | Amount |
| Equity shares | | | | |
| At the beginning of the year | 50,000 | 5.00 | 50,000 | 5.00 |
| Issued during the year | - | - | - | - |
| Bought back during the year | - | - | - | - |
| Outstanding at the end of the year | 50,000 | 5.00 | 50,000 | 5.00 |

(c) Shares held by holding/ ultimate holding Company : 49,940

(d) Details of shareholders holding more than 5% shares in the Company

| | As at March 31, 2023 | | As at March 31, 2022 | |
|---|-------------------------|-----------|-------------------------|-----------|
| | No of Shares* | Holding % | No of Shares* | Holding % |
| Kurlon Enterprise Limited - Holding Company | 49,940 | 99.88% | 49,940 | 99.88% |

The company has only one class of equity shares having par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting except, in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining asset of the company after distribution of all preferential amount, in the proportion of their shareholding.

As per records of the Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

Shares issued for consideration other than cash

There are no shares reserved for issue under options and contracts or commitments. Further, there are no shares that have been issued during the last 5 years pursuant to a contract without payment being received in cash, shares allotted as fully paid up by way of bonus shares or shares bought back.

*The number of shares are given in absolute number

10 Other equity

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Common control transactions capital reserve | 0.27 | 0.27 |
| Retained earnings | -138.03 | -44.37 |
| | -137.76 | -44.10 |

- Common control transaction capital reserve is created on account of merger of Home Comfort Retail LLP with Belvedere International Limited (Refer note 47). This reserve amounting to Rs. 0.27 Lakhs is not freely available for distribution.

- Retained earnings comprises of prior/loss and current year's undistributed earnings after tax.



BELVEDORE INTERNATIONAL LIMITED**Notes to financial statements****(All amounts are disclosed in Indian rupees lakhs, unless otherwise stated)**

| | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------------|-------------------------|-------------------------|
| Financial liabilities | | |
| Non-current | | |
| 11 Other financial liabilities | | |
| Security deposits | 53.70 | 41.35 |
| | <u>53.70</u> | <u>41.35</u> |
| 12 Provisions | | |
| Non-current | | |
| Provision for employee benefits | | |
| Gratuity (note 26) | 2.54 | - |
| Leave encashment (note 26) | 0.44 | - |
| | <u>2.99</u> | <u>-</u> |
| Current | | |
| Provision for employee benefits | | |
| Gratuity (note 26) | 0.01 | - |
| Leave Encashment (note 26) | 0.10 | - |
| Others : | | |
| Outstanding Laibilities | 80.00 | - |
| | <u>80.11</u> | <u>-</u> |
| 13 Borrowings | | |
| Unsecured | | |
| Loans from related parties | 16.39 | 13.09 |
| | <u>16.39</u> | <u>13.09</u> |

Terms and conditions of above borrowings:

- a. Loan from KEL is the on demand loan for a period of 3 years, which may be extended and lender can recall loan as deem fit.
- b. Interest @12% shall be paid on an annual basis
- c. Payable in 3 years or as decided by the both the parties
- d. Loan from KMP and related individuals is a on demand loan



BELVEDORE INTERNATIONAL LIMITED

Notes to financial statements

(All amounts are disclosed in Indian rupees lakhs, unless otherwise stated)

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| 14 Trade payables | | |
| (Carried at amortised cost) | | |
| Dues of micro enterprises and small enterprises | - | - |
| Dues of creditors other than micro enterprises and small enterprises | 234.61 | 217.02 |
| | 234.61 | 217.02 |

Terms and conditions of above payables:

- Trade payables are non-interest bearing and are normally settled within 30 days.
- Disclosure relating to creditors registered under MSMED Act are based on the information available with the Company.
- For explanation of the Company's risk management processes, refer note 32.
- For related party transactions, refer note 29.

Ageing Details For Trade Payables

As at 31.03.2023

| Particulars | Outstanding for following periods from due date of payment / date of transaction | | | | | | Total |
|------------------|--|--------------------|-------------------|-------------|-------------|-------------------|---------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Billed dues: | | | | | | | |
| Undisputed dues: | | | | | | | |
| (a) MSME | - | | - | - | - | - | - |
| (b) Others | - | 226.92 | - | - | - | - | 226.92 |
| Disputed dues: | | | | | | | |
| (a) MSME | - | - | - | - | - | - | - |
| (b) Others | - | - | - | - | - | - | - |
| Unbilled dues | - | - | - | - | - | - | - |
| Total | - | 226.92 | - | - | - | - | 226.92 |

As at 31.03.2022

| Particulars | Outstanding for following periods from due date of payment / date of transaction | | | | | | Total |
|------------------|--|--------------------|-------------------|-------------|-------------|-------------------|---------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Billed dues: | | | | | | | |
| Undisputed dues: | | | | | | | |
| (a) MSME | - | - | - | - | - | - | - |
| (b) Others | - | - | - | - | - | - | - |
| Disputed dues: | | | | | | | |
| (a) MSME | - | - | - | - | - | - | - |
| (b) Others | - | 217.02 | - | - | - | - | 217.02 |
| Unbilled dues | - | - | - | - | - | - | - |
| Total | - | 217.02 | - | - | - | - | 217.02 |

15 Other financial liabilities

Current

| | | |
|--------------------------------|--------------|-------------|
| Employee related payables | 9.56 | - |
| Interest accrued on loan | 1.57 | - |
| Purchase consideration payable | - | 0.11 |
| | 11.13 | 0.11 |

16 Other current liabilities

| | | |
|---------------------------------|--------------|--------------|
| Statutory liabilities | 1.66 | 3.87 |
| Advance received from customers | 10.26 | 7.36 |
| Provision for Expenses | 1.32 | 1.50 |
| | 13.23 | 12.74 |

* Advance from customers include the payments received in excess/in advance and the Benefits/rewards granted to customers.



BELVEDORE INTERNATIONAL LIMITED

Notes to financial statements

(All amounts are disclosed in Indian rupees lakhs, unless otherwise stated)

| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--|--|
| 17 Revenue from operations | | |
| Sale of products | | |
| Traded goods | | |
| Revenue | 1,320.66 | 1,362.28 |
| | 1,320.66 | 1,362.28 |
| 18 Other income | | |
| Miscellaneous Income | 39.15 | - |
| Interest income | - | 0.09 |
| | 39.15 | 0.09 |
| 19 Changes in Inventories of traded Goods | | |
| Inventories at the end of the period: | | |
| - Goods in Transit | - | - |
| Inventories at the beginning of the period: | | |
| - Goods in Transit | - | 0.16 |
| | - | 0.16 |
| 20 Employee benefits expense | | |
| Salaries and allowances | 87.53 | - |
| Contribution to provident fund & other funds | 2.19 | - |
| Gratuity and leave encashment expense | 3.50 | - |
| Staff welfare expenses | 0.45 | - |
| | 93.67 | - |
| 21 Finance costs | | |
| Interest | | |
| On others* | 1.57 | - |
| Bank charges | 0.06 | 0.03 |
| | 1.63 | 0.03 |
| * Interest on loan from related parties @ 12% p.a | | |
| 22 Depreciation and amortisation expense | | |
| Depreciation of property, plant and equipment | 0.69 | - |
| | 0.69 | - |
| 23 Other expenses | | |
| Trade Load/Scheme Expenses | 85.04 | - |
| Turn Over Disc-FOFO stores | 10.20 | 22.29 |
| Freight | 64.13 | 165.20 |
| Manpower charges | 59.41 | 140.20 |
| Vehicle Maintenance - Petrol | 2.13 | - |
| Audit fees | 1.04 | 4.05 |
| Rates and taxes | 0.99 | 0.04 |
| Cash Discount | 10.75 | - |
| Advertisement - Expenses | 30.34 | 63.61 |
| Royalty Expenses | 37.71 | 20.77 |
| Travelling and conveyance | 18.12 | - |
| Printing & Stationery | 0.42 | 0.32 |
| Sales promotion | 1.76 | - |
| Professional fees | 3.13 | 0.97 |
| Store Maintains Charges | 0.36 | - |
| Bad debts written off | 24.86 | - |
| Rewards - Dealers | 0.65 | - |
| Forex Loss | 0.95 | - |
| | 351.97 | 417.45 |
| Payment to auditor | | |
| For Statutory and tax audit | 1.04 | 4.05 |
| For other services | - | - |
| | 1.04 | 4.05 |



BELVEDORE INTERNATIONAL LIMITED**Notes to financial statements****(All amounts are disclosed in Indian rupees lakhs, unless otherwise stated)**

| | As at March 31, 2023 | As at March 31, 2022 |
|---|---------------------------------|---------------------------------|
| 24 Deferred tax | | |
| (A) Deferred tax liabilities | | |
| (i) Difference between written down value as per income-tax and written down value as per books of account. | 0.05 | - |
| (ii) Other items giving rise to temporary differences | - | - |
| Deferred tax liabilities | 0.05 | - |
| (B) Deferred tax assets | | |
| Recognised deferred tax assets and liabilities in balance sheet | | |
| Provision for gratuity and leave encashment | 0.80 | - |
| Provision for bonus | 0.72 | - |
| Net deferred tax asset | 1.53 | - |
| Net Deferred tax (liabilities) / assets | 1.48 | - |
| Movement in deferred tax | | |
| Net deferred tax asset at the beginning of the year | - | - |
| Tax income/(expense) during the year recognized in profit and loss | 1.48 | - |
| Remeasurement of defined benefit obligation recognized in other comprehensive | - | - |
| | 1.48 | - |

* Deferred tax asset and Deferred tax liability have been offset whenever the company has a legally enforceable to right to set off current tax and current tax liability and where the DTA and DTL relates to income tax levied by same taxation authorities.

Effective Tax Reconciliation :

| | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------|---------------------------------|---------------------------------|
| Loss before Tax | -95.14 | -44.21 |
| Effective Tax Rate | 26% | 26% |
| Computed expected tax income | (24.74) | (11.49) |
| Effect of: | | |
| Expenses disallowed for Tax Purpose | 1.53 | - |
| Income Tax not recognized on losses | 21.79 | 11.49 |
| Others | -0.05 | - |
| Income Tax Expenses | -1.48 | - |



BELVEDORE INTERNATIONAL LIMITED**Notes to financial statements**

(All amounts are disclosed in Indian rupees lakhs, unless otherwise stated)

| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| 24 Income tax | | |
| The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are: | | |
| Profit or loss section: | | |
| Current tax: | | |
| Current income tax charge | - | - |
| Adjustment in respect of current income tax of previous years | - | - |
| Deferred tax: | | |
| Relating to origination/ reversal of temporary differences | - | - |
| > Decrease/(increase) in deferred tax assets recognized | (1.48) | - |
| | <u>(1.48)</u> | <u>-</u> |

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

| | | |
|-------------------------------------|---------|---------|
| Accounting profit before income tax | (95.14) | (44.21) |
| Effective tax rate in India | 26.00% | 26.00% |

25 Earnings per share ['EPS']

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Profit after tax attributable to equity holders of the Company (a) (INR in lakhs) | -93.66 | -44.21 |
| Weighted average number of equity shares outstanding during the year for basic/diluted EPS (b) | 50,000 | 50,000 |
| Basic/diluted earnings per share (in INR) (a/b) | -187.33 | -88.42 |



BELVEDORE INTERNATIONAL LIMITED**Notes to financial statements****(All amounts are disclosed in Indian rupees lakhs, unless otherwise stated)****26 Employee benefits expenses****a. Defined contribution plans**

The Company has defined contribution plan in form of Provident Fund for qualifying employees. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the year towards defined contribution plan is INR 2.19 Lakhs (March 31, 2022: INR Nil).

b. Defined benefit plans**i. Gratuity**

The Company has a defined benefit gratuity plan (unfunded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on retirement or termination at 15 days salary (last drawn salary) for each completed years of service.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, Demographic risk and salary risk.

Interest risk :

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase. Thus the plan exposes the Company to the risk of fall in interest rates. Some times, the fall can be permanent, due to a paradigm shift in interest rate scenarios because of economic or fiscal reasons. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements). Even for funded schemes, a paradigm downward shift in bond yields may affect the reinvestment yields and may increase ultimate costs.

Salary inflation risk:

The present value of the defined benefit plan is calculated with the assumption of salary escalation rate(SER), which is applied to find the salary of plan participants in future, at the time of separation Higher than expected increases in salary will increase the defined benefit obligation and will have an exponential effect.

Demographic risks:

Demographic assumptions are required to assess the timing and probability of a payment taking place. This is the risk of volatility of results due to unexpected nature of decrements that include mortality, attrition, disability and retirement. The effects of this decrement on the DBO depend upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short serving employees will be less compared to long service employees.

Investment risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet for the gratuity plan:

| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--|--|
| Gratuity | 2.55 | - |
| Non current | 2.54 | - |
| Current | 0.01 | - |
| <i>Gratuity cost charged to profit or loss</i> | | |
| Current service cost | 2.55 | - |
| Past service cost | - | - |
| Net interest expense | - | - |
| | 2.55 | - |
| <i>Gratuity cost charged to other comprehensive income</i> | | |
| Actuarial (gains)/losses | - | - |
| | - | - |



BELVEDORE INTERNATIONAL LIMITED

Notes to financial statements

(All amounts are disclosed in Indian rupees lakhs, unless otherwise stated)

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Changes in the defined benefit obligation as at March 31, 2023 and March 31, 2022 | | |
| Opening balance | - | - |
| Current service cost | 2.55 | - |
| Past service cost | - | - |
| Net interest expense | - | - |
| Fund management charges | - | - |
| Total amount recognised in profit or loss | 2.55 | - |
| Benefits paid | - | - |
| Remeasurement (gains)/losses in other comprehensive income | | |
| Actuarial changes arising from changes in financial assumptions | - | - |
| Experience adjustments | - | - |
| Total amount recognised in OCI | - | - |
| Closing balance | 2.55 | - |
| Discount rate | 7.53% | - |
| Future salary increases | 7.00% | - |
| Attrition Rate | 10.00% | - |
| Retirement age | 60 years | - |

Mortality rate : Standard Indian Assured Lives (2012-14) Ultimate Table

Discount rate: Market yields on Government bonds as at balance sheet date for the estimated term of the obligation

The above numbers for the year ended March 31, 2023 is as per the actuarial valuation obtained for the year ended March 31, 2023.

A quantitative sensitivity analysis for significant assumption is as shown below:

Sensitivity level

| | Impact on defined benefit obligation | |
|-------------------------------|---|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| <i>Discount Rate</i> | | |
| 1% increase | -0.26 | - |
| 1% decrease | 0.30 | - |
| <i>Salary escalation rate</i> | | |
| 1% increase | 0.29 | - |
| 1% decrease | -0.25 | - |
| <i>Attrition rate</i> | | |
| 1% increase | -0.07 | - |
| 1% decrease | 0.07 | - |
| <i>Mortality rate</i> | | |
| 10% UP | -0.00 | - |

Above sensitivity analysis computed based on, if 100 basis points changes in the actuarial assumptions namely discount rates, salary growth, Attrition & Mortality.

Used P.U.C method. If an employee's service in later years will lead to a materially higher level of benefit than in earlier years, these benefits are attributed on a straight-line basis. The limitations are that in assessing the change other parameters are kept constant. As some of the assumptions may be correlated, it is unlikely that changes in assumptions will occur in isolation of one another.

The following represents maturity profile - future expected payments

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Within the next 12 months (next annual reporting period) | 0.01 | - |
| Between 2 and 5 years | 0.03 | - |
| Beyond 5 years | 0.64 | - |
| Above 10 Years | 6.29 | - |
| Total expected cash flow profile (payments) | 6.96 | - |



BELVEDORE INTERNATIONAL LIMITED**Notes to financial statements****(All amounts are disclosed in Indian rupees lakhs, unless otherwise stated)****ii. Leave encashment**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance sheet date.

Employee Benefit expenses for the year include Rs. 0.40 Lakhs (FY 2021-22: Nil) towards compensated absences.

Provision for compensated absences as on 31st March, 2023 is Rs. 0.54 Lakhs(31st March, 2022: Nil).

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| 27 Contingent liabilities and capital commitments | | |
| Contingent liabilities | - | - |
| Capital commitments | | |
| Estimated amounts of contracts remaining to be executed on capital account not provided for. | - | - |
| 28 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 | | |
| i. The principal amount due thereon remaining unpaid | | |
| Interest amount due and remaining unpaid | | |
| ii. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| iv. The amount of interest accrued and remaining unpaid in respect of principal amount settled during the year | - | - |
| v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |



BELVEDORE INTERNATIONAL LIMITED**Notes to financial statements****(All amounts in Indian rupees lakhs, unless otherwise stated)****29 Related Party Disclosure****a. List of related parties****i. Key managerial personnel**

Jaya Sudhakar Pai

Tonse Pai

Jyothi Ashish Pradhan

ii. Related parties

Kurlon Limited

Kurlon Enterprises Limited

Kurlon Retail Limited

Home Komfort Retail LLP

Ashish Pradhan

Ultimate Holding Company

Holding Company

Fellow Subsidiary

Entity owned/significantly influenced by KMP

Related to KMP

b. Transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

| Nature of transaction | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|----------------------------------|--------------------------------------|--------------------------------------|
| Purchases | | |
| Kurlon Enterprise Limited | 578.91 | 988.94 |
| Sales | | |
| Kurlon Enterprise Limited | 35.61 | - |
| Kurlon Retail Limited | 18.16 | 20.04 |
| Other Income | | |
| Kurlon Enterprise Limited | 39.13 | - |
| Borrowings | | |
| Kurlon Enterprise Limited | - | 13.01 |
| Ashish Pradhan | 1.65 | - |
| T Sudhakar Pai | 1.65 | - |
| Reimbursement of Expenses | | |
| Kurlon Enterprise Limited | - | 305.40 |
| Interest on borrowings | | |
| Kurlon Enterprise Limited | 1.57 | - |
| Business transfer | | |
| Home Komfort Retail LLP | - | 0.38 |

* Net assets transferred as per BTA (Refer note - 47)



d. Details of closing balances at the year end is as below:

| Nature of transaction | As at | As at |
|--|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Accounts Receivables | | |
| a. Kurlon Enterprise Limited | 40.67 | 8.15 |
| b. Kurlon Retail Limited | 2.26 | - |
| Accounts Payables | | |
| a. Kurlon Enterprise Limited | 209.66 | 22.19 |
| Borrowings | | |
| a. Kurlon Enterprise Limited | 13.09 | 13.09 |
| b. Ashish Pradhan | 1.65 | - |
| c. T Sudhakar Pai | 1.65 | - |
| Other financial liabilities | | |
| Purchase consideration payable to partners of HKR LLP | 0.11 | 0.11 |
| e. Compensation of key management personnel of the Company: | | |
| Short-term employee benefits - Remuneration | - | - |
| | <u>-</u> | <u>-</u> |

* During the year no remuneration and no contribution made post-retirement benefits (PY Nil Lakhs)

Terms and conditions of transactions with related parties

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: Nil lakhs).



BELVEDORE INTERNATIONAL LIMITED**Notes to financial statements****(All amounts in Indian rupees lakhs, unless otherwise stated)****30 Financial instruments- accounting classification and fair value measurement**

The management assessed that cash and cash equivalents, trade receivables, trade payables, borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following table presents the fair value hierarchy of assets and liabilities measured at fair value Level 3 - Unobservable inputs for the assets or liabilities:

| | As at March 31, 2023 | | As at March 31, 2022 | |
|------------------------------|----------------------|------------------|----------------------|------------------|
| | Total carrying value | Total fair value | Total carrying value | Total fair value |
| Financial assets | | | | |
| Cash and cash equivalents | 43.65 | 43.65 | 13.62 | 13.62 |
| Trade receivables | 184.07 | 184.07 | 199.62 | 199.62 |
| Other financial assets | 0.06 | 0.06 | - | - |
| | 227.78 | 227.78 | 213.25 | 213.25 |
| Financial liabilities | | | | |
| Borrowings | 16.39 | 16.39 | 13.09 | 13.09 |
| Trade payables | 234.61 | 234.61 | 217.02 | 217.02 |
| Other financial liabilities | 64.84 | 64.84 | 41.46 | 41.46 |
| | 315.83 | 315.83 | 271.57 | 271.57 |

31 Fair value hierarchy

Ind AS 113 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

a. Level 1 - Quoted prices (unadjusted) in an active market for identical assets or liabilities that the Company can assess at the measurement date.

b. Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

c. Level 3 - Unobservable inputs for the assets or liabilities.

Fair value measurements that use inputs of different hierarchy levels are categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire management.



BELVEDORE INTERNATIONAL LIMITED**Notes to financial statements****(All amounts are disclosed in Indian rupees lakhs, unless otherwise stated)****32 a) Capital Management**

The Company's objective when managing capital is to:

1. Safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders; and
2. Maintain an optimal capital structure to reduce the cost of capital.

The company maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Company consists of total equity. The Company is not subject to any externally imposed capital requirements.

b) Gearing Ratio

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------|---------------------|
| Borrowings | 16.39 | 13.09 |
| Less: Cash and cash equivalents (note 5) | 43.65 | 13.62 |
| Net debt | (27.26) | (0.53) |
| Equity | 5.00 | 5.00 |
| Total capital | 5.00 | 5.00 |
| Capital and net debt | -22.26 | 4.47 |
| Gearing ratio | -122.46% | -11.90% |

33 Financial risk management objectives and policies

The Company's principal financial liabilities comprises borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents, trade and other receivables that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below. There has been no change to the Company's exposure to the financial risks or the manner in which it manages and measures the risks.

a. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The Company is not exposed to other price risk.

The sensitivity analyses in the following sections relate to the position as at March 31, 2023 and March 31, 2022. The analysis exclude the impact of movement in market variables on the carrying values of gratuity and other provisions.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The operations of the Company are carried out mainly in India. However, the Company pays the Royalty to foreign vendors which are denominated in USD. Hence the Company is currently exposed to the currency risk arising from fluctuation of the above foreign currency and Indian rupee exchange rates. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year is NIL which is unhedged.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.



BELVEDORE INTERNATIONAL LIMITED

Notes to financial statements

(All amounts are disclosed in Indian rupees lakhs, unless otherwise stated)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company does not have significant debt obligations with floating interest rates, hence, is not exposed to significant interest rate risk.

The sensitivity analyses have been prepared on the basis that the amount of net debt and derivatives and the proportion of financial instruments in foreign currencies are NIL as at March 31, 2023.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have significant foreign currency exposure and hence, is not exposed to any significant foreign currency risk.

b. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating (primarily trade receivables) and from its financing activities (primarily cash and cash equivalents).

The Company monitors the exposure to credit risk on an ongoing basis through ageing analysis and historical collection experience. Outstanding customer receivables are regularly monitored by the Managing director.

i) Trade receivables

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. To manage this, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivable. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

c. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's financing activities are managed centrally by maintaining an adequate level of cash and cash equivalents to finance the Company's operations. The Company has substantial trade receivable balance which is expected to be recovered within 12 months.

The below table detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods.

| | On demand | Less than 1 year | More than 1 year | Total |
|-----------------------------|-----------|------------------|------------------|--------|
| As at March 31, 2023 | | | | |
| Trade payables | - | 234.61 | - | 234.61 |
| Borrowings | - | 16.39 | - | 16.39 |
| Other financial liabilities | - | 11.13 | 53.70 | 64.84 |
| As at March 31, 2022 | | | | |
| Trade payables | - | 217.02 | - | 217.02 |
| Borrowings | - | 13.09 | - | 13.09 |
| Other financial liabilities | - | 0.11 | 41.35 | 41.46 |



BELVEDORE INTERNATIONAL LIMITED**Notes to financial statements****(All amounts are disclosed in Indian rupees lakhs, unless otherwise stated)****34 Segment reporting**

The Company is engaged in trading of mattresses, being the only operating segment and the operations are mainly in India. All assets of the Company are located in India. Accordingly there are no reportable segments as defined by the Ind AS 108 'Operating Segments'.

35 Ageing schedule of Capital work-in-progress

The company does not have any capital work-in-progress during FY 2022-23 and FY 2021-22.

36 Details of Benami property held

There are no proceedings that have been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibitions) Act, 1988 during FY 2022-23 and FY 2021-22.

37 Relationship with struck off companies

There are no transactions with companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956 during FY 2022-23 and FY 2021-22.

38 Details of security of current assets against borrowings

The Company has no borrowings from Banks or Financial Institutions.

39 Details of utilisation of borrowings

The Company has no borrowings from Banks or Financial Institutions.

40 Details of Title deeds of immovable property not held in the name of the Company

There is no immovable property held by the company which is not in its name during FY 2022-23 and FY 2021-22.

41 Details of undisclosed income

The company does not have any transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 during FY 2022-23 and FY 2021-22.

42 Details of crypto currency or virtual currency

The company has not traded or invested in any crypto currency or virtual currency during FY 2022-23 and FY 2021-22.

43 Wilful Defaulter

The Company has not been declared as wilful defaulter by any bank or financial institution or any other lender during 2022-23 & 2021-22.

44 Details of charges or satisfaction yet to be registered with Registrar of companies

There are no pending charges or satisfaction yet to be registered with Registrar of Companies during FY 2022-23.

45 Details of compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of the Section 2 of the Companies Act read with Companies (Restriction on number of Layers) Rules, 2017 during 2022-23 and 2021-22.

46 Corporate Social Responsibility

The Company is not required to contribute towards Corporate Social Responsibility ("CSR") as required by Schedule VII of the Act, as the Company does not meet criteria specified in the applicable rules and regulations relevant for contributions towards CSR.

47 Business transfer :

Company has entered into a business transfer agreement on September 8, 2022 to transfer the business of Home Komfort Retail LLP to the Company effective from September 1, 2022 for a consideration of Rs. 0.11 Lakhs. The business transfer resulted in a transfer of net assets amounting to Rs. 0.38 Lakhs and Capital reserve resulted Rs. 0.27 Lakhs

Details of entities :

| Name of Entity | Nature of Business | Date of effect | Consideration (in Lakhs) |
|-------------------------|--|--------------------|--------------------------|
| Home comfort Retail LLP | Business of buying, selling, reselling, and to deal in all types of mattresses, pillows, cushions, on retail as well as on wholesale basis | 1st September 2022 | 0.11 |

The details of the Assets and liabilities takeover upon business transfer are as follows:

| Particulars | Amount |
|---|--------|
| Assets | 231.02 |
| Liabilities | 230.63 |
| Consideration payable | 0.11 |
| Common control transactions capital reserve | 0.27 |

48 Details of utilisation of borrowed funds and share premium

The company has not advanced or loaned or invested to any other persons out of the borrowed funds during FY 2022-23 and 2021-22.

The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



BELVEDORE INTERNATIONAL LIMITED
Notes to financial statements
(All amounts are disclosed in Indian rupees lakhs, unless otherwise stated)
49 Analytical Ratios

| Ratio | Description of numerator | Description of denominator | Ratio 31.03.2023 | Ratio 31.03.2022 | Variance | Reasons for variance (where variance > 25%) |
|--------------------------------------|-------------------------------------|--|------------------|------------------|----------|--|
| (a) Current ratio | Current assets | Current liabilities | 0.75 | 0.93 | -19% | NA |
| (b) Debt-equity ratio | Total debt | Shareholder's Funds | -0.12 | -0.33 | -63% | Due to the HKRL loan balance got nullified under BTA transaction |
| (c) Debt service coverage ratio | Earnings available for debt service | Debt service | -56.93 | -1399.95 | -96% | Interest provided on loan in CY compared to PY |
| (d) Return on equity ratio | PAT - Preference dividend | Equity Shareholder's Funds | 1.09 | 2.60 | -58% | Due to increase in transactions and restatement of FY 21-22 balances |
| (e) Inventory turnover ratio | Sales (product sales) | Average inventory | NA | NA | NA | NA |
| (f) Trade receivables turnover ratio | Credit sales | Average accounts receivable | 6.88 | 6.61 | 4% | NA |
| (g) Trade payables turnover ratio | Credit purchases | Average accounts payable | 4.46 | 4.94 | -10% | NA |
| (h) Net capital turnover ratio | Revenue from operations | Net assets | -35.78 | 68.15 | -153% | Due to restatement of FY 21-22 and net assets of the company are in negative |
| (i) Net profit ratio | Profit after tax | Revenue from operations | -0.07 | -0.03 | 122% | Expenses increased in CY compared to PY |
| (j) Return on capital employed | EBIT | Capital employed (Total equity + borrowings) | 0.82 | 1.70 | -52% | Due to increase in the loss during the year compared to PY |
| (k) Return on investment | Interest (Finance Income) | Average Investments | NA | NA | NA | NA |

(i) As the company has cleared majority of its debt, there is favourable debt service coverage ratio.

50 Previous year figures have been regrouped where necessary to conform with current year's classification / disclosure.

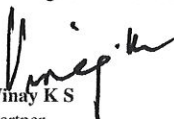
51 Going Concern - As at the year ended 31 March 2023, the net worth of the Company is negative, however, basis internal assessment of its operations, the management has prepared its financial statements of the Company on a going concern basis and will continue its operations for the foreseeable future.

As per our report of even date

For ASA & Associates LLP

Chartered Accountants

Firm registration number: 009571N/N500006


Vinay K S
Partner

Membership Number : 223085

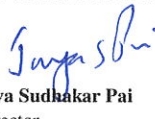
Place: Bangalore

Date: 25/07/2023

For and on behalf of Board of Directors of

Belvedere International Limited


CIN : U52520KA2020PLC142418


Jaya Sudhakar Pai
Director

DIN: 00030515

Place: Bangalore

Date: 25/07/2023


T Sudhakar Pai
Director

DIN: 00043298

Place: Bangalore

Date: 25/07/2023

Kanvas Concepts Private Limited
Balance Sheet as at 31st March 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| Particulars | Note No. | As at March 31, 2023 | As at March 31, 2022 |
|--|----------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3(a) | - | 86.64 |
| Other intangible assets | 3(b) | - | 9.21 |
| Total non-current assets | | - | 95.85 |
| Current assets | | | |
| Inventories | 4 | - | 39.42 |
| Financial assets | | | |
| Cash and cash equivalents | 5 | 0.27 | 0.90 |
| Other financial assets | 6 | 0.05 | 6.11 |
| Other current assets | 7 | 82.05 | 13.01 |
| Total current assets | | 82.37 | 59.44 |
| TOTAL ASSETS | | 82.37 | 155.29 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 8 | 1.00 | 1.00 |
| Other Equity | 9 | (113.84) | (113.20) |
| Total equity | | (112.84) | (112.20) |
| Non-current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 10 | 153.30 | 153.30 |
| Non Current Tax Liabilities (Net) | 11 | - | 4.12 |
| Total non-current liabilities | | 153.30 | 157.42 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Trade Payable | | | |
| Total outstanding dues of micro enterprises and small enterprises | 12 | - | - |
| Total outstanding dues of Creditors other than micro and small enterprises | | 1.23 | 2.65 |
| Other Current liabilities | 13 | 40.68 | 107.42 |
| Total current liabilities | | 41.91 | 110.07 |
| TOTAL EQUITY AND LIABILITIES | | 82.37 | 155.29 |

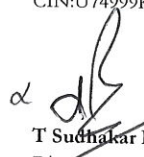
The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

For ASA & Associates LLP
Chartered Accountants
Firm registration number: 009571N/N500006



Vinay K.S
Partner
UDIN:
Membership No:223085

Place : Bengaluru
Date : 26.07.2023

For and on behalf of the Board of Directors
Kanvas Concepts Private Limited
CIN:U74999KA2020PTC138867


T Sudhakar Pai
Director
Place : Bengaluru
DIN:00043298

Place : Bengaluru
Date : 26.07.2023


Ashish Vilas Pradhan
Director
Place : Bengaluru
DIN: 08630024

Place : Bengaluru
Date : 26.07.2023

Kanvas Concepts Private Limited
Statement of profit and loss for the year ended 31st March 2023
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| Particulars | Note No. | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|----------|-----------------------------------|-----------------------------------|
| Revenue from operations | 14 | 39.42 | 36.73 |
| Other income, net | 15 | 4.31 | 1.26 |
| Total Income | | 43.73 | 37.99 |
| Expenses | | | |
| Cost of materials consumed | 16 | 39.42 | 2.84 |
| Employee benefits expense | 17 | 0.44 | 27.22 |
| Depreciation and amortization expense | 18 | 2.16 | 12.20 |
| Other Expenses | 19 | 6.47 | 85.00 |
| Total expenses | | 48.49 | 127.26 |
| Profit/ (loss) before Tax | | (4.76) | (89.27) |
| Tax expenses | | | |
| Current tax | | - | - |
| Earlier year's tax | | - | - |
| Deferred tax charge/(income) | 11 | (4.12) | 3.42 |
| Total Tax expenses | | (4.12) | 3.42 |
| Profit/(loss) for the year | | (0.64) | (92.69) |
| Other comprehensive income | | | |
| <i>Items that will not be reclassified to profit or (loss) in subsequent period</i> | | | |
| Investment Revaluation | | - | - |
| Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| Re-measurement of the net defined benefit liability/asset, net | | - | - |
| Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| Total other Comprehensive Income/(loss) for the year | | - | - |
| Total Comprehensive Income/ (loss) for the year | | (0.64) | (92.69) |
| Earnings per share: | | | |
| Equity Share of par value of Rs. 10 each | | | |
| Basic and Diluted(Rs) | 20 | (0.43) | (926.87) |


The accompanying notes form an integral part of the financial statements.
As per our report of even date attached


For ASA & Associates LLP
Chartered Accountants
Firm registration number: 009571N/N500006


Vinay K.S
Partner
UDIN:
Membership No:223085

Place : Bengaluru
Date : 26.07.2023

For and on behalf of the Board of Directors
Kanvas Concepts Private Limited
CIN:U74999BA2020PTC138867


T Sudhakar Pai
Director
Place : Bengaluru
DIN:00043298


Ashish Vilas Pradhan
Director
Place : Bengaluru
DIN: 08630024

Place : Bengaluru
Date : 26.07.2023

Place : Bengaluru
Date : 26.07.2023

Kanvas Concepts Private Limited
Cash Flow Statement for the year ended 31 March 2023
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Cash flow from operating activities | | |
| Profit/(loss) for the year | (4.76) | (89.27) |
| Adjustments to reconcile net profit/ (loss) to net cash provided by operating activities: | | |
| Miscellaneous Income written back | 4.21 | - |
| Depreciation / amortization | 2.16 | 12.20 |
| | 1.61 | (77.07) |
| Changes in Assets and Liabilities: | | |
| Increase/(decrease) in trade payables | (1.42) | (6.88) |
| Increase/(decrease) in other current liabilities | (66.74) | 82.20 |
| Increase/(decrease) in other non current liabilities | - | 68.30 |
| (Increase)/decrease in other financial assets | 6.06 | (6.11) |
| (Increase)/decrease in other current assets | (75.61) | (9.63) |
| (Increase)/decrease in Inventories | 39.42 | (21.40) |
| Cash generated from / (used in) operations | (96.68) | 29.41 |
| Direct taxes paid during the year (net of refunds) | 2.50 | - |
| Net cash flow from/ (used in) operating activities (A) | (94.18) | 29.41 |
| Cash flow from investing activities | | |
| Purchase of Property, Plant and Equipment (net) | - | (51.10) |
| Proceeds from Sale of Property, Plant and Equipment | 95.86 | - |
| Net cash flow from/ (used in) investing activities (B) | 95.86 | (51.10) |
| Cash flow from financing activities | | |
| Issue of share capital | - | - |
| Proceeds/ (repayment) from Borrowings | (2.30) | - |
| Net cash flow from/ (used in) in financing activities (C) | (2.30) | - |
| Net increase/(decrease) in cash and cash equivalents (A + B + C) | (0.62) | (21.79) |
| Cash and cash equivalents at the beginning of the year | 0.90 | 22.69 |
| Cash and cash equivalents at the end of the year | 0.28 | 0.90 |
| Components of cash and cash equivalents | | |
| Cash on hand | - | 0.16 |
| With banks - on current account | 0.27 | 0.74 |
| Total cash and cash equivalents - Closing Balance | 0.27 | 0.90 |
| Total cash and cash equivalents - Balance Sheet | 0.27 | 0.90 |

Notes:

- 1) Cash Flow Statement has been prepared under the indirect method as set out in the Ind AS 7 "Cash Flow Statements".
- 2) Brackets indicate cash outflow/ Deduction.
- 3) Previous year figures have been regrouped/ reclassified wherever necessary.

*The accompanying notes form an integral part of the financial statements.
As per our report of even date attached*

For ASA & Associates LLP

Chartered Accountants
Firm registration number: 009571N/N500006

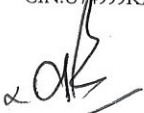

Vinay K.S
Partner

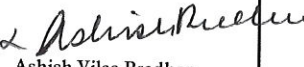
UDIN:
Membership No:223085

Place : Bengaluru
Date : 26.07.2023

**For and on behalf of the Board of Directors
Kanvas Concepts Private Limited**

CIN:U74999KA2020PTC138867


T. Sudhakar Pai
Director
DIN:00043298


Ashish Vilas Pradhan
Director
DIN: 08630024

Place : Bengaluru
Date : 26.07.2023

Place : Bengaluru
Date : 26.07.2023

Kanvas Concepts Private Limited
Statement of Changes in Equity for the year ended 31 March 2023
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

a. Equity Share Capital

| Particulars | Amount |
|---|--------|
| Balance as at April 1, 2021 | 1.00 |
| Changes in equity share capital during the year | - |
| Balance as at March 31, 2022 | 1.00 |
| Changes in equity share capital during the year | - |
| Balance as at March 31, 2023 | 1.00 |

b. Other Equity

| Particulars | Reserves and Surplus | | | Total |
|--------------------------------|----------------------|-----------------|-------------------|-------|
| | Securities Premium | General Reserve | Retained Earnings | |
| Balance as at April 1, 2021 | - | - | (20.51) | |
| Transferred to general reserve | - | - | - | |
| Profit for the year | - | - | (92.69) | |
| Balance as at March 31, 2022 | - | - | (113.20) | |
| Profit for the period | - | - | (0.64) | |
| Balance as at March 31, 2023 | - | - | (113.84) | |

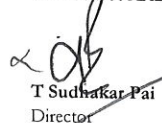
The above statement of changes in equity should be read in conjunction with the accompanying notes.
As per our report attached

For ASA & Associates LLP
Chartered Accountants
Firm registration number: 009571N/N500006

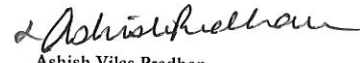

Vinay K S
Partner
UDIN:
Membership No:223085

Place: Bangalore
Date : 26.07.2023

For and on behalf of Board of Directors of
Kanvas Concepts Private Limited
CIN:U74099KA2020PTC138867


T Sudhakar Pai
Director
DIN:00043298

Place: Bangalore
Date : 26.07.2023


Ashish Vilas Pradhan
Director
DIN: 08630024

Place: Bangalore
Date : 26.07.2023

Kanvas Concepts Private Limited

Notes to the financial statements for the year ended March 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

1 CORPORATE INFORMATION

Kanvas Concepts Private Limited was incorporate in Karnataka on 22.09.2020. The company is a wholly owned subsidiary of Kurlon Enterprise Limited and is engaged in the business of interiors & exteriors of Homes, stage designer, furnishing, designing, decorating, renovating and remodeling of bungalows, houses, shops, show rooms, complexes, apartments, offices, hotels, restaurants and other commercials and residential houses and for other purpose to act as organiser, consultant, advisor, trader, buyer, seller, supervisor, surveyor, broker, agent and to do all other incidental acts and things necessary for the attainment of above objects.

2 Summary of Significant Accounting Policies:

2A Statement of Compliance

The financial statements have been prepared in accordance with the provisions of Companies Act 2013 ("the Act") and Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, issued by the Ministry of Corporate Affairs in exercise of powers conferred by section 133 of the Act.

2C Basis of preparation of financial statements

The Financial Statements have been prepared on an accrual basis and under the historical cost convention, except for certain Financial instruments that are measured at fair value at the end of each reporting period, as explained in the Accounting policies below. The accounts of the company have been prepared on a going concern basis.

Ministry of Corporate Affairs ("MCA") through a notification dated March 24, 2021, amended Division II of Schedule III of the Companies Act, 2013 and applicable for the reporting period beginning on or after April 1, 2021. The amendment encompasses certain additional disclosure requirements. The Company has applied and incorporated the requirements of amended Division II of Schedule III of the Companies Act, 2013, to the extent applicable on it while preparing these financial statements.

The operating cycle in the normal course has been identified to have a duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS - 1 "Presentation of Financial Statements" and Schedule - III to the Companies Act, 2013.

The Balance sheet, the Statement of Profit and Loss and the statements of Changes in Equity are prepared in the format prescribed in Schedule III to the Act. The Cash Flow Statement has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the Ind AS.

The Financial Statements are presented in Indian Rupees Lakhs and all values are rounded off to two decimal lakh except as otherwise stated.

2D Significant accounting policies

i Use of Estimates

In preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

iii Property, plant and equipment and depreciation/amortisation

A. Property, plant and equipment

Property, plant and equipment are stated at costs less accumulated depreciation (other than freehold land) and impairment loss, if any.

The cost includes purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Lease rentals and premium for lease hold are amortized over the primary lease period.

Depreciation is provided for property, plant and equipment on the reducing balance method over the estimated useful life from the date the assets are ready for intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss

Capital work in progress

Amount paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.



B. Depreciation and amortisation methods, estimated useful lives and residual value

I a) Depreciation is provided on a pro rata basis on the Reducing Balance method to allocate the cost, net of residual value over the estimated useful lives of the assets.

b) Where a significant component (in terms of cost) of an asset has an estimated economic useful life shorter than that of its corresponding asset, the component is depreciated over its shorter life.

c) Useful life of assets are determined by the Management by internal technical assessments except in case where such assessment suggests a life significantly different from those prescribed by Schedule II- Part 'C', the useful life is as assessed and certified by a technical expert.

II Assets which are depreciated over useful life/residual value indicated by Schedule II are as follows:

Assets Class

Office Equipments-5 Years

Furniture and Fixtures - 10 Years

Computer and Accessories - 3Years

Software - 6 Years

III Depreciation on additions and deletions is being provided on pro rata basis from the month of such additions or deletions.

IV Depreciation on assets sold, discarded or demolished during the year is being provided up to the month in which such assets are sold, discarded or demolished.

C. Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

iv Intangible assets and amortisation

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life of computer software is 5 years. The estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate being accounted for prospectively.

Intangible assets are derecognised when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the carrying amount of the asset (net of disposal proceeds, if applicable) and recognised in the Statement of Profit and Loss when the asset is derecognised.

v Inventories

Inventories are valued at the lower of cost and the net realizable value. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Cost of inventories are determined on a weighted average basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

vi Investments & financial assets

i) Classification

The Company classifies its financial assets in the following measurement categories :-

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b) those measured at amortised cost.

The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows.

ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at 'fair value through profit or loss' are expensed in profit or loss.

Financial assets carried at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



Financial assets at fair value through other comprehensive income:

A financial asset is subsequently measured at fair value through other comprehensive income (FVOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through profit or loss:

Assets that do not meet the criteria for amortised cost, are measured at fair value through profit or loss e.g. investments in mutual funds. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

iii) Derecognition of financial assets

A financial asset is derecognised only when Company has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

vii Income recognition

Interest Income

Interest income from Financial assets (Rent deposits) is recognised using the effective interest rate method.

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

viii Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency existing at balance sheet date are translated at the year end exchange rates. Exchange rate differences arising on settlement of transaction of monetary items are recognized as income or expenses in the year in which they arise. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

ix Cash & Cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

x Revenue Recognition

The Company has adopted IndAS 115-"Revenue from Contracts with Customer ", with effect from 01 April 2018. Company has applied the following accounting policy in the preparation of its financial statements:

The Company recognises revenue from contracts with customers based on a five step model as set out in IndAS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer that are distinct.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

Company recognises revenue at a point in time when it satisfies a performance obligation by transferring promised goods/service to a customer. An asset is transferred when the customer obtains control of the same.

When the company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

xi Cash Flow Statements

The entity reports the cash flow from

a) operating activities using indirect method by adjusting the profit or loss for the effects of transactions of non-cash nature, deferrals or accruals of past or future cash receipts or payments and item of income or expense associated with investing or financing cash flows.

b) From investing and financing activities by reporting separately the major cash receipts and cash payments that arises from investing and financing activities except to the extent permitted to be reported on net basis by IND AS -7.



Kanvas Concepts Private Limited

Notes to the financial statements for the year ended March 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

xii Borrowing costs

Borrowing costs include interest expense calculated using the effective interest method.

Borrowing costs specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

All other borrowing costs are charged to the Statement of Profit or Loss in the year in which it is incurred.

xiv Earnings Per Share

Basic earnings per share amounts are computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xvii Taxation

Current tax is determined based on the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognized on timing differences: being the difference between the taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets and liabilities are recognised at the rate that have been enacted or substantively enacted by the Balance sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognized only to the extent that there is reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

xviii Contingent Liabilities & Provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

xix Leases

The lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- (1) the contract involves the use of an identified asset;
- (2) the company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (3) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

xx Functional Currency

Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (₹) in which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (₹).



Kanvas Concepts Private Limited
Notes to the financial statements for the year ended March 31, 2023
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

3 - Property, Plant and Equipments
a. Tangible Assets

| Particulars | Furnitures & Fixtures | Office Equipments | Electrical Fittings | Computers | Total |
|--------------------------------------|-----------------------|-------------------|---------------------|-------------|--------------|
| Gross Carrying Amount | | | | | |
| Balance as at 1st April 2021 | 56.43 | 0.23 | 0.46 | - | 57.12 |
| Additions | 31.71 | 0.71 | - | 7.91 | 40.33 |
| Disposals | - | - | - | - | - |
| Balance as at 31st March 2022 | 88.13 | 0.95 | 0.46 | 7.91 | 97.45 |
| Additions | 88.13 | 0.95 | 0.46 | 7.91 | 97.45 |
| Disposals | - | - | - | - | - |
| Balance as at 31st March 2023 | - | - | - | - | - |
| Accumulated Depreciation | | | | | |
| Balance as at 1st April 2021 | 0.15 | 0.01 | 0.01 | - | 0.17 |
| Additions | 8.12 | 0.17 | 0.04 | 2.30 | 10.64 |
| Disposals | - | - | - | - | - |
| Balance as at 31st March 2022 | 8.27 | 0.18 | 0.06 | 2.30 | 10.81 |
| Additions | 0.55 | 0.03 | 0.85 | 0.42 | 1.85 |
| Disposals | 8.82 | 0.21 | 0.91 | 2.72 | 12.66 |
| Balance as at 31st March 2023 | - | - | - | - | - |
| Net Carrying Amount | | | | | |
| Balance as at 31st March 2022 | 79.86 | 0.77 | 0.41 | 5.61 | 86.64 |
| Balance as at 31st March 2023 | - | - | - | - | - |



Kanvas Concepts Private Limited

Notes to the financial statements for the year ended March 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

3(b) Other intangible assets:

| Particulars | Software | Total |
|----------------------------------|----------|-------|
| Gross block: | | |
| As on 1st April 2021 | - | - |
| Additions | 10.78 | 10.78 |
| Disposals/ adjustments | - | - |
| As on 31 Mar 2022 | 10.78 | 10.78 |
| Additions | | |
| Disposals/ adjustments | 10.78 | 10.78 |
| As on 31 Mar 2023 | - | - |
| Accumulated Depreciation: | | |
| As on 1st April 2021 | - | - |
| Amotisation expense | 1.57 | 1.57 |
| Disposals/ adjustments | | - |
| As on 31 Mar 2022 | 1.57 | 1.57 |
| Amotisation expense | 0.29 | 0.29 |
| Disposals/ adjustments | 1.85 | 1.85 |
| As on 31 Mar 2023 | - | - |
| Net carrying value: | | |
| At 31 March 2022 | 9.21 | 9.21 |
| At 31 March 2023 | - | - |



Kanvas Concepts Private Limited
Notes to the financial statements for the year ended March 31, 2023
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

4. Inventories

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------|-------------------------|-------------------------|
| Opening Work in progress | 39.42 | 17.92 |
| Closing Work in progress | - | 39.42 |
| Net Increase/(Decrease) | (39.42) | 21.50 |

5. Cash and cash equivalents

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|----------------------|-------------------------|-------------------------|
| Balances with banks: | | |
| -On current Accounts | 0.27 | 0.74 |
| Cash on Hand | - | 0.16 |
| Total | 0.27 | 0.90 |

6. Other financial assets

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------|-------------------------|-------------------------|
| <i>Unsecured, considered good</i> | | |
| Security Deposits | 0.05 | 6.11 |
| Total | 0.05 | 6.11 |

**The security deposit is subsequently repaid by Kurl On Enterprise Limited as on May 2022 since the hennur stores was transferred to Kurlon Enterprise Limited.

7. Other current assets

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------|-------------------------|-------------------------|
| Balances with Statutory Authorities | 0.83 | 10.51 |
| Advance Tax & TDS | - | 2.50 |
| Unbilled Revenue | 39.42 | - |
| Other Receivables | 41.80 | - |
| Total | 82.05 | 13.01 |

8. Equity share capital

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Authorized shares | | |
| 1,50,000 (March 31, 2022: 10,000) equity shares of Rs. 10 each | 15.00 | 1.00 |
| Issued, subscribed and fully paid-up shares | 15.00 | 1.00 |
| 10,000 (March 31, 2022: 10,000) equity shares of Rs. each fully paid up | 1.00 | 1.00 |
| | 1.00 | 1.00 |

8.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

| Equity Shares | As at March 31, 2023 | | As at March 31, 2022 | |
|---|-------------------------|-------------|-------------------------|-------------|
| | Number | Amount | Number | Amount |
| Outstanding at the beginning of the year | 10,000 | 1.00 | 10,000 | 1.00 |
| Issued during the year | - | - | - | - |
| Reduced during the year | - | - | - | - |
| Bought Back during the year | - | - | - | - |
| Outstanding at the end of the period | 10,000 | 1.00 | 10,000.00 | 1.00 |



Kanvas Concepts Private Limited
Notes to the financial statements for the year ended March 31, 2023
(All amounts in Indian Rupees Lakhs, except as otherwise stated)
8.2 Terms/Rights attached to Equity Shares

Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholders meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholders meeting.
The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.
In the event of liquidation of the company the holders of equity will be entitled to the remaining assets of the company, after distribution to all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

8.3 Equity shareholder holding more than 5 percent of equity shares along with the number of equity shares held at the beginning and at the end of the year are as given below:

| Equity Shares | As at March 31, 2023 | | As at March 31, 2022 | |
|---------------------------|-------------------------|------------|-------------------------|------------|
| | Number | Percentage | Number | Percentage |
| Kurlon Enterprise limited | 10,000 | 100.00% | 10,000 | 100.00% |

8.4 The Company has not bought back any shares or issued shares for consideration other than cash or issued bonus shares during the five years immediately preceding the date of Balance Sheet (during the five years immediately preceding March 31st, 2022 - Nil Lakhs)

8.5 Shareholding of promoters:

| Promoter Name | As at March 31, 2023 | | As at March 31, 2022 | | % Change during the year |
|---------------------------|-------------------------|----------------------|-------------------------|----------------------|-----------------------------|
| | Number | % of total shares | Number | % of total shares | |
| Kurlon Enterprise Limited | 10,000 | 100.00% | 10,000 | 100.00% | - |

Kanvas Concepts Private Limited is the wholly owned subsidiary of Kurlon Enterprise Limited, there are 6 nominee shareholders who are holding shares out of the total 10,000 shares.

| | | | | | |
|-------------------------|----|---|----|-------|-------|
| Ashish Vilas Pradhan | 50 | - | 50 | 0.50% | 0.00% |
| Mr. T Sudhakar Pai | 10 | - | 10 | 0.10% | 0.00% |
| Mr. N Srinivasa Ulloor | 10 | - | 10 | 0.10% | 0.00% |
| Mr. Ramakrishna Hegde | 10 | - | 10 | 0.10% | 0.00% |
| Mr. Sanjoy Khan | 10 | - | 10 | 0.10% | 0.00% |
| Mr. K Krishna Shettigar | 10 | - | 10 | 0.10% | 0.00% |

9. Other equity

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Retained earnings | | |
| Opening Balance | | (20.51) |
| Profit/(Loss) attributable to owners of the Company | (113.20) | (92.69) |
| Closing Balance | (113.84) | (113.20) |
| Total Reserves And Surplus | (113.84) | (113.20) |

10. Borrowings

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------|-------------------------|-------------------------|
| From related party | | |
| Kurlon Enterprise Limited | | |
| Total | 153.30 | 153.30 |

Kanvas Concepts Private Limited is the wholly owned subsidiary of Kurl On Enterprise Limited. And the company has invested in the business of its wholly owned subsidiary just to support its operations. And the advances received for the same do not carry any interest and same is not provided for in the books of its holding company as well.



Kanvas Concepts Private Limited

Notes to the financial statements for the year ended March 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

11. Taxes (Net)

Income tax expenses in the statement of profit and loss consist of the following:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------|-------------------------|-------------------------|
| Current taxes | - | - |
| Deferred Tax | - | 4.12 |
| Total Taxes | - | 4.12 |

12. Trade payables

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Total outstanding dues of micro enterprises and small enterprises | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 1.23 | 2.65 |
| Total | 1.23 | 2.65 |

Note : The above disclosure is based upon the information available with the Company. There are no Micro and Small Enterprises vendors.

Trade Payables ageing schedule

| Particulars | Unbilled Dues | Not Due | Outstanding for following periods from due date of payment | | | | Total |
|-------------------------------------|---------------|----------|--|-----------|-----------|-------------------|-------------|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at 31 March 2023 | | | | | | | |
| Related party | - | - | - | - | - | - | - |
| Micro, small and medium enterprises | - | - | - | - | - | - | - |
| Others | - | - | 1.23 | - | - | - | 1.23 |
| Total | - | - | 1.23 | - | - | - | 1.23 |
| As at 31 March 2022 | | | | | | | |
| Related party | - | - | - | - | - | - | - |
| Micro, small and medium enterprises | - | - | - | - | - | - | - |
| Others | - | - | 2.65 | - | - | - | 2.65 |
| Total | - | - | 2.65 | - | - | - | 2.65 |

13. Other Current Liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------|-------------------------|-------------------------|
| Advance for Project | 21.29 | 21.29 |
| Statutory Liabilities | 0.05 | 0.48 |
| Other liabilities | - | 7.13 |
| Payables to Related parties | 19.33 | 78.52 |
| Total | 40.68 | 107.42 |



Kanvas Concepts Private Limited

Notes to the financial statements for the year ended March 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

14. Revenue from operations

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|-------------------------------|--------------------------------------|---|
| Interior Designing & Services | 39.42 | 36.73 |
| Total | 39.42 | 36.73 |

15. Other Income

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|------------------------------|--------------------------------------|---|
| Other non - operating income | 4.31 | 1.26 |
| Total | 4.31 | 1.26 |

16. Cost of materials consumed

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|---|
| Material in Work-in-Progress | | |
| Materials as at beginning of the year | - | - |
| Purchases during the year | 39.42 | 17.92 |
| Materials as at end of the year | 0.00 | 24.34 |
| | - | 39.42 |
| Total Cost of Materials Consumed | 39.42 | 2.84 |

17. Employee benefits expense

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|---|
| Salaries, Wages and other employee benefits | 0.44 | 26.53 |
| Staff Welfare Expenses | - | 0.69 |
| Total | 0.44 | 27.22 |

18. Depreciation and amortization expense

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|---|
| Depreciation of property, plant and equipment | 2.14 | 12.20 |
| Amortization of Intangibles | 0.02 | - |
| Total | 2.16 | 12.20 |



Kanvas Concepts Private Limited

Notes to the financial statements for the year ended March 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

19. Other expenses

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|-----------------------------------|--------------------------------------|---|
| Audit fee | 0.50 | 0.50 |
| Rates and Taxes | 0.00 | 0.16 |
| Bank Charges | 0.05 | |
| Electricity & Maintenance Charges | 0.25 | 1.69 |
| Manpower Service Charges Paid | - | 1.09 |
| Welfare Expenses | - | - |
| Rent Paid | 4.95 | 19.68 |
| Advertisement charges | - | 21.06 |
| Postage & Telephone | - | 0.00 |
| Travelling Expenses | - | 0.71 |
| Printing and Stationery | - | 0.04 |
| Legal and Professional Charges | 0.46 | 33.86 |
| Sales Promotion Expenses | - | 0.28 |
| Interior Items | - | 3.44 |
| Insurance-Others | - | 0.61 |
| Interest&Penalties | 0.01 | 0.18 |
| Miscellaneous Expenses | 0.25 | 1.70 |
| Total | 6.47 | 85.00 |

| Payment to auditor: * | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|-----------------------|--------------------------------------|---|
| <i>As Auditor</i> | | |
| Statutory Audit Fee | 0.50 | 0.50 |
| Tax Audit Fee | - | - |
| Total | 0.50 | 0.50 |

* Excluding Goods and Services Tax

20. Earnings per Share (EPS)

a) Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

b) Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|---|
| The following reflects the profit and share data used in the basic and diluted EPS computation | | |
| Basic & Diluted EPS | | |
| Net Profit / (Loss) After tax | (0.64) | (92.69) |
| Less : Dividend on equity shares & tax thereon | - | - |
| Net profit / (loss) for calculation of EPS | (0.64) | (92.69) |
| Weighted Average No. of Equity Shares (Face Value of Rs.10/- Each) | 1,50,000 | 10,000 |
| Basic Earnings per share | (0.43) | (926.87) |
| Diluted Earnings per Share | (0.43) | (926.87) |



Kanvas Concepts Private Limited

Notes to the financial statements for the year ended March 31, 2023
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

21. Capital commitments & Contingent liabilities

During the year ended, there are no capital commitments and contingent liabilities.

22. Related Party Disclosure

a) Names of Related Parties:

| Related Party disclosures | |
|---|--|
| The Company material related party transactions and outstanding balances are with the Key managerial personnel and directors. | |
| A) Retated parties with relationships | |
| Relationship | Related Parties |
| Holding Company | Kurlon Enterprise Limited |
| Ultimate Holding Company | Kurlon Limited |
| Persons having substantial interest in the Company | Mr. T.Sudhakar Pai, Jyothi Ashish Pradhan |
| Enterprises owned or significantly influenced by key management personnel /Directors and their relatives | Maha Rashtra Apex Corporation Ltd General Investment & Commercial Corporation Ltd (GICC) Manipal Holdings Pvt. Ltd Manipal Home Finance Ltd Jayamahar Trade and Investments Pvt. Ltd Manipal Advertising Services Pvt Ltd. Metropolis Builders Private Limited Manipal Stock & Shares Brokers Limited Komfort Universe Products and Services Pvt Ltd Belvedere International Limited Manipal Software and Ecom Private limited |
| Key Management Personnel and their relatives | Mr. T. Sudhakar Pai Mrs. Jaya S Pai - Wife Mrs. Jyothi Pradhan - Daughter (From 27.07.2021) Mr. Ashish V Pradhan - Son-in-Law Sanjoy Khan(till 27.07.2021) |

b) Transactions with related parties during the year:

| Nature of Transaction / relationship | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Sales Promotion, Insurance Expenses & Other Expenses: | | |
| Kurlon Enterprise Limited | - | 46.59 |
| Kurlon Enterprise Limited GST | - | 8.39 |
| Kurlon Limited | - | 0.09 |
| Kurlon Limited GST | - | 0.02 |
| Kurlon Retail Limited | - | 68.96 |
| Kurlon Retail Limited GST | - | 12.41 |
| Sale of Property, Plant and Equipment: | | |
| Kurlon Retail Limited | 93.69 | |
| Kurlon Retail Limited GST | 16.92 | |
| Printing & Stationery: | | |
| Manipal Advertising Services (P)Ltd | - | 0.01 |
| Manipal Advertising Services (P)Ltd GST | - | 0.00 |
| Advances Received : | | |
| Kurlon Enterprise Limited | - | 68.30 |
| Kurlon Limited | - | - |
| Kurlon Retail Limited | - | - |
| Other Receivable : | | |
| Kurlon Retail Limited | 41.80 | - |
| Outstanding as at end of the Period | | |
| Trade Payable : | | |
| Kurlon Enterprise Limited | 19.33 | 9.46 |
| Manipal Advertising Services Pvt Ltd | - | 0.01 |
| Kurlon Limited | - | 0.09 |
| Kurlon Retail Limited | - | 68.96 |
| Advance Payable : | | |
| Kurlon Enterprise Limited | 153.30 | 153.30 |
| | 325.04 | 436.58 |



Kanvas Concepts Private Limited

Notes to the financial statements for the year ended March 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

23. Ratios

| Particulars | Numerator | Denominator | 31-Mar-23 | 31-Mar-22 | % Variance | Reason for Variance |
|--------------------------------------|---|---|-----------|-----------|------------|--|
| (a) Current Ratio | Current assets | Current liabilities | 1.97 | 0.54 | 263.95% | During the year receivables increased and reduction in payables due to decrease in operational expenses. The sale of assets has increased the receivables. |
| (b) Debt-Equity Ratio | Total Debt (Long term and Short term borrowings) | Shareholders' equity | -1.36 | -1.37 | -0.57% | To cover the losses the company has taken additional borrowings from its Parent company. There is no other external borrowing in the company. |
| (c) Debt Service Coverage Ratio | Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Interest | Debt service = Interest & Lease Payments + Principal Repayments | NA | NA | NA | There are no interest expenses incurred |
| (d) Return on Equity Ratio | Net Profits after taxes | Average Shareholders equity | 0.14% | 35.19% | -99.59% | Reduction in Losses during the year as a result of reduction in operational expenses |
| (e) Inventory turnover ratio | Cost of Goods Sold | Average Inventory | - | 0.07 | -100.00% | There is no Inventory at the end of the Financial Period |
| (f) Trade Receivables turnover ratio | Net credit sales = Gross credit sales - sales return | Average trade receivables | NA | NA | NA | |
| (g) Trade payables turnover ratio | Net credit purchases = Gross credit purchases - purchase return | Average trade payables | NA | NA | NA | |
| (h) Net capital turnover ratio | Net sales = Total sales - sales return | Working capital = Current assets - Current liabilities | 0.97 | (0.73) | -234.29% | Higher revenue during the year as compared to previous year. |
| (i) Net profit % | Net Profit | Net sales = Total sales - sales return | -1.63% | -252.35% | -99.35% | Reduction in Losses as a result of significant decrease in operational expenses |
| (j) Return on Capital employed | Earnings before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | -11.77% | -217.20% | -94.58% | Reduction in Losses as a result of significant decrease in operational expenses |
| (k) Return on Investment | Income | Investment | NA | NA | NA | |



Kanvas Concepts Private Limited

Notes to the financial statements for the year ended March 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

24. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholders' value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company's gearing ratio, which is total net borrowings divided by total capital employed is as below:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Borrowings (note 10) | 153.30 | 153.30 |
| Less: Cash and cash equivalents (note 5) | 0.27 | 0.90 |
| Net debt | 153.03 | 152.40 |
| Equity | (112.84) | (112.20) |
| Total capital | (112.84) | (112.20) |
| Capital and net debt | 40.18 | 40.20 |
| Gearing ratio | 380.82% | 379.09% |

25. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

a) Fair value of financial assets:

| Particulars | Carrying values | | Fair values | |
|--|------------------------|------------------------|---------------------------|------------------------|
| | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 |
| Financial assets measured at amortised cost | | | | |
| Cash and cash equivalents (refer note 5) | | | | |
| Other assets | 0.27 | 0.90 | 0.27 | 0.90 |
| Total | 0.05 | 6.11 | 0.05 | 6.11 |
| | 0.32 | 7.01 | 0.32 | 7.01 |

b) Fair value of financial liabilities:

| Particulars | Carrying values | | Fair values | |
|---|------------------------|------------------------|---------------------------|------------------------|
| | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 |
| Financial liabilities measured at amortised cost | | | | |
| Borrowings (refer note 10) | 153.30 | 153.30 | 153.30 | 153.30 |
| Trade Payables | 1.23 | 2.65 | 1.23 | 2.65 |
| Total | 154.53 | 155.95 | 154.53 | 155.95 |

Management has assessed that remaining financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

26. Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

The fair value hierarchy of assets and liabilities measured at fair value as of 31 March 2023 is as follows:

| Particulars | Total (Carrying Value) | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|--|---------------------------|--|--|--|
| Assets | | | | |
| Cash and cash equivalents (refer note 5) | 0.27 | - | - | 0.27 |
| Other assets | 0.05 | - | - | 0.05 |



The fair value hierarchy of assets and liabilities measured at fair value as of 31 March 2023 is as follows: (continued)

| Particulars | Total (Carrying Value) | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|--------------------|---------------------------|--|--|--|
| Liabilities | | | | |
| Borrowings | 153.30 | - | - | 153.30 |
| Trade Payables | 1.23 | - | - | 1.23 |

The fair value hierarchy of assets and liabilities measured at fair value as of 31 March 2022 is as follows:

| Particulars | Total (Carrying Value) | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|--|---------------------------|--|--|--|
| Assets | | | | |
| Cash and cash equivalents (refer note 5) | 0.90 | - | - | 0.90 |
| Other assets | 6.11 | - | - | 6.11 |
| Liabilities | | | | |
| Borrowings (refer note 10) | 153.30 | - | - | 153.30 |
| Trade Payables | 2.65 | - | - | 2.65 |

27. Financial risk management objectives and policies

The Company's principal financial liabilities comprise of trade and other payables, borrowings, lease liability and payables for property, plant and equipment. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash, fixed deposits and security deposits that are derived directly from its operations.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

The sensitivity analyses in the following sections relate to the position as at 31 March 2023 and 31 March 2022.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest bearing financial liabilities includes borrowings with fixed interest rates. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company transacts business only in local currency as well as in foreign currency therefore, not exposed to foreign exchange risk.

B. Credit risk

It is the risk of loss that may arise on the outstanding financial instruments should a counterparty default on its obligation.

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------------|------------------------|
| Balance at the beginning of the year | - | - |
| Provision recognised/(reversed) during the year, net | - | - |
| Balance at the end of the year | - | - |

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings.



Kanvas Concepts Private Limited

Notes to the financial statements for the year ended March 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

27. Financial risk management objectives and policies (continued)**C. Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

| As at 31 March 2023 | Amount | Less than 1 year | 1 to 5 years | > 5 years | Total |
|--------------------------------|---------------|------------------|---------------|-----------|---------------|
| Financial liabilities : | | | | | |
| Borrowings (refer note 10) | 153.30 | - | 153.30 | - | 153.30 |
| Trade Payables | 1.23 | 1.23 | - | - | 1.23 |
| | 154.53 | 1.23 | 153.30 | - | 154.53 |

| As at 31 March 2022 | Amount | Less than 1 year | 1 to 5 years | > 5 years | Total |
|--------------------------------|---------------|------------------|---------------|-----------|---------------|
| Financial liabilities : | | | | | |
| Borrowings (refer note 10) | 153.30 | - | 153.30 | - | 153.30 |
| Trade Payables | 2.65 | 2.65 | - | - | 2.65 |
| | 155.95 | 2.65 | 153.30 | - | 155.95 |

28. Segment reporting

Since the company falls under the small company under section 2(85) of the Companies Act, 2013, the segment reporting is not applicable.

- 29 The company has accumulated losses of 113.84 Lakhs and networth being negative amounting to 112.84 Lakhs as on 31st March 2023. The company has also taken a loan from Kurl On Enterprise Limited to support its business which shall be repaid in the near future. And the company does not have any future business outlook as on date. Accordingly the financial statements have been prepared on going concern basis.

30 Other statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

32 Corporate Social Responsibility

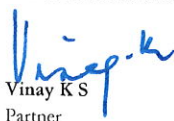
The Company is not required to contribute towards Corporate Social Responsibility ("CSR") as required by Schedule VII of the Act, as the Company does not meet criteria specified in the applicable rules and regulations relevant for contributions towards CSR.

- 33 The Company has reclassified/regrouped previous year figures in standalone balance sheet, wherever necessary, to confirm to current year's classification.

The accompanying notes form an integral part of these Standalone Ind-AS Financial Statements.

As per our report of even date attached

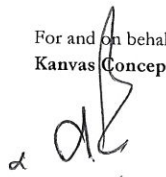
As per our report attached
for ASA & Associates LLP
Chartered Accountants


Vinay K S
Partner


Membership Number : 223085
UDIN:

Place: Bangalore
Date : 26.07.2023

For and on behalf of Board of Directors of
Kanvas Concepts Private Limited


T Sudhakar Pai
Director
DIN:00043298

Place: Bangalore
Date : 26.07.2023


Ashish Vilas Pradhan
Director
DIN: 08630024

Place: Bangalore
Date : 26.07.2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Kurlon Retail Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Kurlon Retail Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income/(loss), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss including other comprehensive income/(loss), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. 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 the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income/(loss), cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and 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, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also 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 SAs 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.

As part of an audit in accordance with SAs, 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books except that the Company does not have server physically located in India for the daily back-up of the books of account and other books and papers maintained in electronic mode.
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income/(loss), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;



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Chartered Accountants

- (g) In our opinion, the managerial remuneration for the year ended March 31, 2023, has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act as applicable;
- (h) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.



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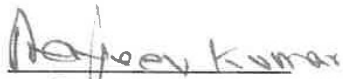
Chartered Accountants

- v. No dividend has been declared or paid during the year by the Company.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 01, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Rajeev Kumar

Partner

Membership Number: 213803

UDIN: 23213803BGXAMK9370

Place of Signature: Bangalore

Date: August 29, 2023



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ANNEXURE '1' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF KURLON RETAIL LIMITED

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification to cover all the items in a phased manner over period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There are no immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company.
- (d) The Company has not revalued its property, plant and equipment or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder as disclosed in Note 38 to the financial statements.
- (ii)(a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory have not been noted during the physical verification by the management. There are no Inventories lying with third parties.
 - (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii)(a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
 - (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company.
- (vii)(a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, duty of customs and other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, duty of customs, service tax, excise duty, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year as disclosed in Note 38 to the financial statements. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.



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- (ix)(a) Loans availed from its holding company amounting to Rs. 2,398.69 Lakhs are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. Such loans and interest thereon have not been demanded for repayment during the relevant financial year. The Company did not have any other outstanding loans or borrowings or interest thereon due to any lender except for aforementioned during the year.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, the Company has used funds raised on short term basis aggregating to Rs 2,390.72 lakhs for long term purposes i.e. funding of operations.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x)(a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)(a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii)(a) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.



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- (c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- (xiv)(a) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) of the Order is not applicable to the Company.
- (b) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(b) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core investment Company as a part of the Group, hence the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has incurred cash losses amounting to Rs. 242.31 lakhs in the current year and amounting to Rs. 305.10 lakhs in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.



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- (xix) On the basis of the financial ratios disclosed in note 37 to the financial statements, the ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions and considering the Company's current liabilities exceeds the current assets by Rs. 2,390.72 lakhs, the Company has obtained the letter of financial support from the Holding Company, nothing has come to our attention, which causes us to believe that Company is not capable of meeting its liabilities, existing at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date.

We, further state that this is not an assurance as to the future viability of the Company and our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The provisions of section 135 of the Act in relation to Corporate Social Responsibility are not applicable to the Company. Accordingly, the requirement to report on clause (xx)(a) and (b) of the Order are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Rajeev Kumar**

Partner

Membership Number: 213803



UDIN: 23213803BGXAMK9370

Place of Signature: Bangalore

Date: August 29, 2023

ANNEXURE '2' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF KURLON RETAIL LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Kurlon Retail Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Meaning of Internal Financial Controls With Reference to these Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

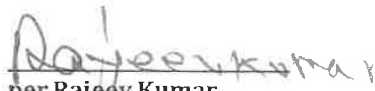
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004


per **Rajeev Kumar**

Partner

Membership Number: 213803

UDIN: 23213803BGXAMK9370

Place of Signature: Bangalore

Date: August 29, 2023



Kurlon Retail Limited
Balance Sheet as at March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

| | Notes | March 31, 2023 | March 31, 2022 |
|--|-------|-------------------|-------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 199.05 | 272.98 |
| Other intangible assets | 4 | 2.57 | 1.30 |
| Right of use assets | 5 | 715.62 | 1,121.04 |
| Financial assets | | | |
| Other financial assets | 6 | 128.15 | 272.18 |
| Income tax assets (net) | 8 | 19.35 | 4.99 |
| | | 1,064.74 | 1,672.49 |
| Current assets | | | |
| Inventories | 10 | 182.74 | 459.42 |
| Financial assets | | | |
| Trade receivables | 11 | 76.80 | 77.34 |
| Cash and cash equivalents | 12 | 27.08 | 14.82 |
| Other bank balances | 12 | 3.38 | 3.21 |
| Other financial assets | 6 | 34.96 | - |
| Other current assets | 9 | 134.15 | 140.77 |
| | | 459.11 | 695.56 |
| Total | | 1,523.85 | 2,368.05 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 13 | 763.33 | 763.33 |
| Other equity | 14 | (2,657.89) | (2,595.70) |
| | | (1,894.56) | (1,832.37) |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Lease liabilities | 15 | 556.43 | 965.06 |
| Provisions | 17 | 12.15 | 3.47 |
| | | 568.58 | 968.53 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowing | 19 | 2,400.37 | 2,603.53 |
| Lease liabilities | 15 | 279.80 | 369.58 |
| Trade payables | 18 | - | - |
| Total outstanding dues of micro enterprises and small enterprises | | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 101.82 | 154.09 |
| Other financial liabilities | 16 | 27.26 | 40.65 |
| Provisions | 17 | 14.91 | 14.15 |
| Other current liabilities | 20 | 25.67 | 49.89 |
| | | 2,849.83 | 3,231.89 |
| Total | | 1,523.85 | 2,368.05 |
| Summary of significant accounting policies | 2 | | |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Rajeev Kumar
per **Rajeev Kumar**
Partner

Membership No.: 213803

Place: Bengaluru
Date: August 29, 2023



For and on behalf of Board of Directors of
Kurlon Retail Limited
CIN : U36104KA2012PLC065664

Jaisheed Minoo Panday
Jaisheed Minoo Panday
Director

DIN : 00232768

Place: Bengaluru
Date: August 29, 2023



Narendra Kudva

Narendra Kudva
Director

DIN : 07459916

Place: Bengaluru
Date: August 29, 2023

Kurlon Retail Limited
Statement of Profit and Loss for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated


| | Notes | March 31, 2023 | March 31, 2022 |
|--|-------|-----------------|-------------------|
| Income | | | |
| Revenue from operations | 21 | 1,852.95 | 1,650.35 |
| Other income | 22 | 137.67 | 400.36 |
| Total income | | 1,990.62 | 2,050.71 |
| Expenses | | | |
| Purchase of traded goods | 23 | 857.95 | 764.98 |
| Changes in inventories of traded goods | 24 | 276.68 | 266.33 |
| Employee benefit expense | 25 | 243.97 | 368.39 |
| Finance costs | 26 | 108.46 | 251.62 |
| Depreciation and amortisation expense | 27 | 304.50 | 929.07 |
| Other expenses | 28 | 258.27 | 706.70 |
| Total expenses | | 2,049.83 | 3,287.09 |
| Loss before tax | | (59.21) | (1,236.38) |
| Tax expense | | | |
| Current tax | | - | - |
| Tax relating to earlier years | | - | - |
| Deferred tax charge/(credit) | | - | 2.46 |
| Total tax expense | | - | 2.46 |
| Loss for the year | | (59.21) | (1,238.84) |
| Other comprehensive income/(loss), net of tax | | | |
| <i>items that will not be reclassified subsequently to profit or loss</i> | | | |
| Re-measurement gain/(loss) on defined benefit plans | | (2.98) | 4.67 |
| Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| Total other comprehensive income/(loss) | | (2.98) | 4.67 |
| Total comprehensive income/(loss) for the year, net of tax | | (62.19) | (1,234.17) |
| Earnings per equity share : | | | |
| Basic and Diluted [Nominal value of shares Rs. 5 (March 31, 2022 : Rs. 5)] | 29 | (0.39) | (8.11) |

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements 2

As per our report of even date


For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004


per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: August 29, 2023



For and on behalf of Board of Directors of
Kurlon Retail Limited
CIN : U36104KA2012PLC065664


Jamsheed Minoo Panday
Director
DIN : 00232768

Place: Bengaluru
Date: August 29, 2023




Narendra Kudva
Director
DIN : 07459916

Place: Bengaluru
Date: August 29, 2023

Kurlon Retail Limited
Cash Flow Statement for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

| | March 31, 2023 | March 31, 2022 |
|--|-----------------|-----------------|
| A. Cash flow from operating activities | | |
| Loss before tax | (59.21) | (1,236.38) |
| Non cash adjustment to reconcile loss before tax to net cash flows | | |
| Depreciation and amortisation expense | 304.50 | 929.07 |
| Loss on sale of property, plant and equipment | 12.47 | 186.88 |
| Provision for doubtful advances | - | 20.39 |
| Security deposits written off | - | 31.46 |
| Finance costs | 108.46 | 251.62 |
| Gain on termination of lease | (61.75) | (362.91) |
| Operating cash flow before working capital changes | 304.47 | (179.87) |
| Working capital adjustments | | |
| Increase/(decrease) in trade payables | (52.27) | 31.04 |
| Increase/(decrease) in other financial liabilities | (13.39) | 18.57 |
| Increase/(decrease) in other liabilities | (24.22) | 12.75 |
| Increase/(decrease) in provisions | 6.46 | (18.36) |
| Decrease/(increase) in inventories | 276.67 | 269.41 |
| Decrease/(increase) in trade receivables | 0.54 | (69.70) |
| Decrease/(increase) in other financial assets | 109.08 | (26.07) |
| Decrease/(increase) in other assets | 6.62 | 34.51 |
| Cash generated from operations | 613.96 | 72.28 |
| Direct taxes paid (net of refunds) | (14.36) | (0.22) |
| Net cash flow from operating activities (A) | 599.60 | 72.06 |
| B. Cash flows from investing activities | | |
| Purchase of property, plant and equipment, including capital work in progress and capital advances | (7.75) | - |
| Proceeds from sale of property, plant and equipment | 30.92 | 66.98 |
| Movement in earmarked bank balances | (0.17) | (0.16) |
| Net cash flow (used in)/from investing activities (B) | 23.00 | 66.82 |
| C. Cash flows from financing activities | | |
| Interest paid | (108.46) | (251.62) |
| Net proceeds/(repayment) from borrowings | (203.16) | 585.04 |
| Repayment of lease liabilities | (298.72) | (479.53) |
| Net cash flow used in financing activities (C) | (610.34) | (146.11) |
| Net decrease in cash and cash equivalents (A + B + C) | 12.26 | (7.23) |
| Cash and cash equivalents at the beginning of the year | 14.82 | 22.05 |
| Cash and cash equivalents at the end of the year | 27.08 | 14.82 |
| Components of cash and cash equivalents as at end of the year | | |
| Cash in hand | 1.70 | 2.53 |
| Balances with banks : | | |
| In current accounts | 25.38 | 12.29 |
| Total cash and cash equivalents (Refer Note 12) | 27.08 | 14.82 |

Non-cash investing and financing activities
Additions to right-of-use assets (Refer Note 6) 7.17 542.16

Refer Note 19 for change in liabilities arising from financing activities

Summary of significant accounting policies (refer Note 2)

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Rajeev Kumar
per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: August 29, 2023



For and on behalf of Board of Directors of
Kurlon Retail Limited
CIN : U86104KA2012PLC065664

Jamsheed Minoo Panday
Jamsheed Minoo Panday
Director
DIN : 00232768

Place: Bengaluru
Date: August 29, 2023



Narendra Kudva
Narendra Kudva
Director
DIN : 07459916

Place: Bengaluru
Date: August 29, 2023

Kurlon Retail Limited
Statement of Changes in Equity for year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

(a) Equity share capital

Equity shares of Rs. 5 each issued, subscribed and fully paid up

| | March 31, 2023 | | March 31, 2022 | |
|-------------------------------|-------------------|---------------|-------------------|---------------|
| | Nos. | Amount | Nos. | Amount |
| At the beginning of the year | 15,266,666 | 763.33 | 15,266,666 | 763.33 |
| Changes during the year | - | - | - | - |
| At the end of the year | 15,266,666 | 763.33 | 15,266,666 | 763.33 |

(b) Other equity

| | Securities premium | Retained earnings | Total |
|-------------------------------------|--------------------|-------------------|-------------------|
| Balance as at April 01, 2021 | 996.66 | (2,358.19) | (1,361.53) |
| Loss for the year | - | (1,238.84) | (1,238.84) |
| Other comprehensive Income/(loss) | - | 4.67 | 4.67 |
| Balance as at March 31, 2022 | 996.66 | (3,592.36) | (2,595.70) |
| Loss for the year | - | (59.21) | (59.21) |
| Other comprehensive income/(loss) | - | (2.98) | (2.98) |
| Balance as at March 31, 2023 | 996.66 | (3,654.55) | (2,657.89) |

Securities premium - This reserve is used to record premium on issue of shares and can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

Retained earnings - Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Rajeev Kumar
per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: August 29, 2023



For and on behalf of Board of Directors of
Kurlon Retail Limited
CIN : BR6104RA2012PLC065664

Jamsheed Mino Panday
Jamsheed Mino Panday
Director
DIN : 00232768

Place: Bengaluru
Date: August 29, 2023

Narendra Kudva
Narendra Kudva
Director
DIN : 07459916

Place: Bengaluru
Date: August 29, 2023



Kurlon Retail Limited
Notes to the financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

1. Corporate information

Kurlon Retail Limited was incorporated in Karnataka on August 31, 2012. The Company is a subsidiary of Kurlon Enterprise Limited and is engaged in the business of buying, selling, storing, promoting, marketing, supplying, trading and dealing in mattresses, pillow, sofa and furniture on retail in India.

The Company's financial statements for the year ended March 31, 2023, were approved by Board of Directors on August 29, 2023.

1.1 Basis of preparation

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable.

This note provides a list of the significant accounting policies adopted in the preparation of the Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Financial Statements have been prepared on an accrual basis under the historical cost convention except for the following that are measured at fair value as required by relevant Ind AS:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

These Financial Statements are presented in Indian Rupee, which is also functional currency of the Company. All the values are rounded off to the nearest lakhs, unless otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

(a) Measurement of fair values

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



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(b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(c) Use of estimates and judgements

In preparing these Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and liabilities at the date of the Financial Statements and reported amounts of income and expenses during the period. Actual results may differ from these estimates.

Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding estimate. Changes in estimate are reflected in the financial statement in the period in which changes are made and, if material, their effects are disclosed in the notes to the Financial Statements.

Judgements:

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Financial Statements is included in the following notes:

- Note 2.1 and Note 2.2 - Useful life of property, plant and equipment and intangible assets;
- Note 2.6 - Measurement of defined benefit obligations: key actuarial assumptions.
- Note 2.7 - Provision for income tax and valuation of deferred tax assets/liabilities.
- Note 2.12 - Valuation of financial instrument; and
- Note 2.13 - Lease classification and determination of lease term;

Assumption and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Note 1.1 (a) - Fair value measurement
- Note 2.3 - Impairment of financial assets
- Note 2.3 - Impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;
- Note 2.7 - Recognition of deferred tax assets: based upon likely timing and the level of future taxable profits together with future tax planning strategies;
- Note 2.9 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

1.2 Funding of operations

The Company has accumulated losses of Rs. 3,654.55 lakhs as at March 31, 2023 (March 31, 2022: Rs. 3,592.36 lakhs) and the net worth of the Company has been fully eroded by such amount. The holding company has committed to provide financial and operational support to the Company for its continued operations in the foreseeable future. Hence, the financial statements have been prepared under going concern assumption and consequently, no adjustments have been made to the carrying values or classification of assets and liabilities.



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2. Summary of significant accounting policies

2.1 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at historical cost less accumulated depreciation, and accumulated impairment loss, if any. Historical cost comprises of the purchase price including duties and non-refundable taxes, borrowing cost if capitalisation criteria's are met, directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management and initial estimate of decommissioning, restoring and similar liabilities.

Capital work in progress is stated at cost, net of accumulated impairment loss if any.

Subsequent costs related to an item of property, plant and equipment are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are recognised in statement of profit and loss during the reporting period when they are incurred.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Depreciation is calculated using the straight-line method over their estimated useful lives as follows:

| Asset description | Useful life in years as per Schedule II | Useful life as per Company |
|------------------------|---|----------------------------|
| Furniture and fixtures | 10 | 10 |
| Office equipment | 5 | 5 |
| Computers | 3 | 3 |

The useful lives have been determined based on managements' internal technical assessment, which in certain instances are different from those specified by Schedule II to the Act, in order to reflect the actual usage of the assets.

The assets residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.2 Intangible assets

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

An item of intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

| Asset description | Useful life in years |
|-------------------|----------------------|
| Computer software | 6 |

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.



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2.3 Impairment

Impairment of financial assets

In accordance with Ind AS - 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS - 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

Trade receivables or contract revenue receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's cash generating unit's (CGU's) to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to other comprehensive income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or cash generating unit's (CGU's) recoverable amount. A previously recognised



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impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.4 Revenue recognition

Revenue from contracts with customer is recognised upon transfer of control of promised goods/services to customers at an amount that reflects the consideration to which the Company expect to be entitled for those goods/services.

To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenues when a performance obligation is satisfied.

Revenue is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts and volume rebates, taking into account contractually defined terms of payment excluding taxes or duties collected on behalf of the government.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Others

- The Company accounts for variable consideration like volume discounts, rebates, returns and pricing incentives to customers as reduction of revenue on a systematic and rationale basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled.

- Revenues are shown net of allowances /returns, goods and service tax and applicable discounts and allowances.

Trade receivable

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included under the head 'other income' in the statement of profit and loss.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

2.5 Interest expense

Interest expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the amortised cost of the financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.



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2.6 Employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current financial liabilities in the balance sheet.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The liabilities for leave balance are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The company operates the following post-employment schemes:

- (a) defined benefit plans - gratuity, and
- (b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that

have term approximating the term of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Such accumulated re-measurement balances are never reclassified into the statement of profit and loss subsequently.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Defined contribution plan

Retirement benefit in the form of provident fund scheme, Employee state insurance are the defined contribution plans. The Company has no obligation, other than the contribution payable. The Company recognizes contribution payable to these schemes as an expenditure, when an employee renders the related service.

2.7 Income Taxes

Income tax comprises of current tax and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to an item recognised directly in the other comprehensive income.

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income (OCI) or directly in equity. Management periodically



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evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts, and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company has significant unabsorbed depreciation and carry forward losses. No deferred tax asset has been recognised at the year-end as it is not reasonably certain that sufficient taxable income will be available in the foreseeable future against which such deferred tax asset can be utilised.

2.8 Earnings/(loss) per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into.

2.9 Provision and contingent liabilities

Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses it in the Financial Statements, unless the possibility of an outflow of resources embodying economic benefits is remote.



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2.10 Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statement comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are readily convertible to a known amount and are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.11 Cash flow statement

Cash flows are reported using the indirect method, whereby net (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.12 Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at either at amortised cost, FVTPL or fair value in other comprehensive income (FVOCI). Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of the investments.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

Financial assets at FVTOCI

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of the investments.



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Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

Offsetting

Financial assets and financial liabilities are off-set and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Leases

The Company has lease contracts for various buildings used in its operations. Lease terms generally ranges between 3 and 9 years.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.3 for policy on impairment of non-financial assets.



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Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Extension and termination option

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Management have not considered any future cash outflow for which they are potentially exposed arising due to extension and termination options.

2.14 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.15 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Company has identified one reportable segment based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete financial information is available. The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The Company has only one reportable business segment, which is purchase and sale of coir, foam and related products which constitutes a single business segment. Accordingly, the amounts appearing in the financial statements relate to the company's single business segment. Refer Note 30 for segment information and segment reporting.

2.16 Use of judgements, estimates and assumptions

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. The areas involving significant estimates or critical judgements are:



Kurlon Retail Limited

Notes to the financial statements for the year ended March 31, 2023

All amounts in Rs. Lakhs, unless otherwise stated

(i) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. Due to complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The mortality rate is based on publicly available mortality table in India. The mortality tables tend to change only at interval in response to demographic changes. Further salary increases and gratuity increases are based on expected future inflation rates.

Further details about the gratuity obligations are given in Note 34.

(ii) Impairment of financial and non-financial assets:

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. In case of non-financial assets company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

2.17 Changes in accounting policies and disclosures – New and amended standards

The Company applied for the first time the following standards and amendments, which are effective for annual periods beginning on or after April 1, 2022, as per the Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 notified by the Ministry of Corporate Affairs:

(a) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of other costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

(b) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements. The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. It has been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

(c) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

(d) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The aforesaid standards and amendments did not have any material impact on the financial statements of the Company.



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Notes to the financial statements for the year ended March 31, 2023
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2.18 Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023, to amend the following Ind AS which are effective from April 1, 2023:

(a) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

(b) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. Consequential amendments have been made in Ind AS 107.

(c) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101.

The aforesaid amendments are not expected to have any material impact on the Company's financial statements.

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Kurlon Retail Limited
Notes to the financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

3 Property, plant and equipment

| | Furniture & Fixtures | Office Equipment | Computers | Total |
|--------------------------|---------------------------------|-------------------------|------------------|-----------------|
| Cost | | | | |
| At April 01, 2021 | 1,044.83 | 26.15 | 36.89 | 1,107.87 |
| Additions | - | - | - | - |
| Disposals | (381.64) | (12.39) | (20.98) | (415.01) |
| Adjustments * | 74.95 | 1.61 | 2.20 | 78.76 |
| At March 31, 2022 | 738.14 | 15.37 | 18.11 | 771.62 |
| Additions | 5.85 | 0.14 | - | 5.99 |
| Disposals | (403.77) | (7.48) | (11.57) | (422.82) |
| At Mar 31, 2023 | 340.22 | 8.03 | 6.54 | 354.79 |
| Depreciation | | | | |
| At April 01, 2021 | 229.10 | 11.37 | 22.64 | 263.11 |
| Charge for the year | 309.31 | 6.46 | 7.12 | 322.89 |
| Disposals | (143.48) | (8.01) | (14.63) | (166.12) |
| Adjustments * | 74.95 | 1.61 | 2.20 | 78.76 |
| At March 31, 2022 | 469.88 | 11.43 | 17.33 | 498.64 |
| Charge for the year | 35.00 | 1.47 | 0.06 | 36.53 |
| Disposals | (360.68) | (7.26) | (11.50) | (379.44) |
| At Mar 31, 2023 | 144.21 | 5.64 | 5.89 | 155.74 |
| Net block | | | | |
| At March 31, 2022 | 268.26 | 3.94 | 0.78 | 272.98 |
| At March 31, 2023 | 196.01 | 2.39 | 0.65 | 199.05 |

* Represents adjustments between gross block and accumulated depreciation

4 Intangible assets

| | Computer Software | Total |
|--------------------------|--------------------------|---------------|
| Cost | | |
| At April 01, 2021 | 14.83 | 14.83 |
| Additions | - | - |
| Disposals | (5.34) | (5.34) |
| At March 31, 2022 | 9.49 | 9.49 |
| Additions | 1.77 | 1.77 |
| Disposals | - | - |
| At Mar 31, 2023 | 11.26 | 11.26 |
| Amortisation | | |
| At April 01, 2021 | 7.45 | 7.45 |
| Charge for the year | 1.09 | 1.09 |
| Disposals | (0.35) | (0.35) |
| At March 31, 2022 | 8.19 | 8.19 |
| Charge for the year | 0.50 | 0.50 |
| Disposals | - | - |
| At Mar 31, 2023 | 8.69 | 8.69 |
| Net block | | |
| At March 31, 2022 | 1.30 | 1.30 |
| At March 31, 2023 | 2.57 | 2.57 |



Kurlon Retail Limited
Notes to the financial statements for the year ended March 31, 2023
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5 Right to use assets

| | Buildings | Total |
|--------------------------|------------------|-----------------|
| Cost | | |
| At April 01, 2021 | 3,803.31 | 3,803.31 |
| Additions | 542.16 | 542.16 |
| Disposals | (2,438.32) | (2,438.32) |
| At March 31, 2022 | 1,907.15 | 1,907.15 |
| Additions | 7.17 | 7.17 |
| Disposals | (435.72) | (435.72) |
| At March 31, 2023 | 1,478.60 | 1,478.60 |
| Depreciation | | |
| At April 01, 2021 | 1,277.14 | 1,277.14 |
| Charge for the year | 605.72 | 605.72 |
| Disposals | (1,096.75) | (1,096.75) |
| At March 31, 2022 | 786.11 | 786.11 |
| Charge for the year | 267.47 | 267.47 |
| Disposals | (290.60) | (290.60) |
| At March 31, 2023 | 762.98 | 762.98 |
| Net block | | |
| At March 31, 2022 | 1,121.04 | 1,121.04 |
| At March 31, 2023 | 715.62 | 715.62 |

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Kurlon Retail Limited
Notes to the financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

6 Other financial assets

| | Non - current | | Current | |
|-------------------------------------|----------------|----------------|----------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Unsecured, at amortised cost | | | | |
| Security deposits | | | | |
| - Related parties (Refer Note 31) | - | 15.00 | - | - |
| - Others | 128.15 | 257.18 | 34.96 | - |
| | 128.15 | 272.18 | 34.96 | - |

7 Deferred tax assets (net)

As there is no reasonable certainty of utilisation of carried forward business losses against future taxable profits, the company has not recognised deferred tax assets.

8 Income tax assets (net)

| | March 31, 2023 | March 31, 2022 |
|---------------------------------------|----------------|----------------|
| Advance tax, net of provision for tax | 18.84 | 4.48 |
| MAT credit entitlement | 0.51 | 0.51 |
| | 19.35 | 4.99 |

9 Other assets

| | Current | |
|--|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Unsecured, considered good | | |
| Prepaid expenses | 0.80 | 0.95 |
| Balances with statutory/government authorities | 128.70 | 139.82 |
| Advances recoverable in cash or kind | 4.18 | - |
| Advance to employees | 0.47 | - |
| | 134.15 | 140.77 |
| Unsecured, credit impaired | | |
| Advances recoverable in cash or kind | - | 18.31 |
| Advance to employees | - | 2.08 |
| Less : Provision for doubtful advances | - | (20.39) |
| | - | - |
| Total | 134.15 | 140.77 |

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Kurlon Retail Limited
Notes to the financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

10 Inventories (valued at lower of cost and net realizable value)

| | March 31, 2023 | March 31, 2022 |
|--------------|-----------------------|-----------------------|
| Traded goods | 182.74 | 459.42 |
| | 182.74 | 459.42 |

The carrying value of inventories as reflected above is net of provision for aged/slow moving stock of Rs. 16.08 lakhs (March 31, 2022 : Rs. 45.88).

11 Trade receivables

| | Current | |
|--|-----------------------|-----------------------|
| | March 31, 2023 | March 31, 2022 |
| Financial assets, at amortised cost | | |
| Unsecured, considered good | 76.80 | 77.34 |
| | 76.80 | 77.34 |

Ageing of trade receivables

| | Outstanding for following periods from the due date of payment | | | | | Total |
|--|---|---------------------------|--------------------|--------------------|--------------------------|--------------|
| | Less than 6 months | 6 months to 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| March 31, 2023 | | | | | | |
| Undisputed trade receivables - considered good | 76.61 | - | 0.19 | - | - | 76.80 |
| Undisputed trade receivables - credit impaired | - | - | - | - | - | - |
| Total | 76.61 | - | 0.19 | - | - | 76.80 |
| March 31, 2022 | | | | | | |
| Undisputed trade receivables - considered good | 5.31 | 71.12 | 0.91 | - | - | 77.34 |
| Undisputed trade receivables - credit impaired | - | - | - | - | - | - |
| Total | 5.31 | 71.12 | 0.91 | - | - | 77.34 |

12 Cash and bank balances

| | Current | |
|----------------------------------|-----------------------|-----------------------|
| | March 31, 2023 | March 31, 2022 |
| Cash and cash equivalents | | |
| Cash on hand | | |
| Balances with banks: | 1.70 | 2.53 |
| In current accounts | 25.38 | 12.29 |
| | 27.08 | 14.82 |
| Other bank balances | | |
| Earmarked balances with banks * | 3.38 | 3.21 |
| | 3.38 | 3.21 |

* Represents amounts pledged with banks for credit cards.



Kurlon Retail Limited
Notes to the financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

13 Equity share capital

| | March 31, 2023 | | March 31, 2022 | |
|--|-------------------|-----------------|-------------------|-----------------|
| | Nos. | Amount | Nos. | Amount |
| Authorised shares | | | | |
| Equity shares of Rs. 5/- each with voting rights | 40,000,000 | 2,000.00 | 40,000,000 | 2,000.00 |
| | 40,000,000 | 2,000.00 | 40,000,000 | 2,000.00 |
| Issued, subscribed and fully paid-up shares | | | | |
| Equity shares of Rs. 5/- each with voting rights | 15,266,666 | 763.33 | 15,266,666 | 763.33 |
| | 15,266,666 | 763.33 | 15,266,666 | 763.33 |

a. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

| | March 31, 2023 | | March 31, 2022 | |
|---|-------------------|---------------|-------------------|---------------|
| | Nos. | Amount | Nos. | Amount |
| At the beginning of the year | 15,266,666 | 763.33 | 15,266,666 | 763.33 |
| Issued during the year | - | - | - | - |
| Outstanding at the end of the year | 15,266,666 | 763.33 | 15,266,666 | 763.33 |

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 5 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding/ultimate holding company and/or their subsidiaries/associates

| | March 31, 2023 | | March 31, 2022 | |
|--|-------------------|----------------|-------------------|----------------|
| | Nos. | % | Nos. | % |
| Kurlon Enterprise Limited - Holding Company | | | | |
| Equity shares of Rs. 5/- each with voting rights* | 15,266,666 | 100.00% | 15,266,666 | 100.00% |
| | 15,266,666 | 100.00% | 15,266,666 | 100.00% |

d. Details of shareholders holding more than 5% shares in the Company

| | March 31, 2023 | | March 31, 2022 | |
|---|----------------|---------|----------------|---------|
| | Nos. | % | Nos. | % |
| Equity shares of Rs. 5/- each with voting rights | | | | |
| Kurlon Enterprise Limited* | 15,266,666 | 100.00% | 15,266,666 | 100.00% |

* Includes the beneficial interest in 1,200 shares, held by individuals as nominee of Holding Company.

e. Details of shares held by promoters

As at March 31, 2023

| | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of total shares | % change during the year |
|---------------------------|--|------------------------|--------------------------------------|-------------------|--------------------------|
| Kurlon Enterprise Limited | 15,266,666 | - | 15,266,666 | 100.00% | 0.00% |
| | 15,266,666 | - | 15,266,666 | 100.00% | 0.00% |

As at March 31, 2022

| | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of total shares | % change during the year |
|---------------------------|--|------------------------|--------------------------------------|-------------------|--------------------------|
| Kurlon Enterprise Limited | 15,266,666 | - | 15,266,666 | 100.00% | 0.00% |
| | 15,266,666 | - | 15,266,666 | 100.00% | 0.00% |



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All amounts in Rs. Lakhs, unless otherwise stated

14 Other equity

| | March 31, 2023 | March 31, 2022 |
|--|-------------------|-------------------|
| Securities premium account | | |
| Balance at the beginning of the year | 996.66 | 996.66 |
| Premium on issue of shares | - | - |
| Balance as at end of the year | 996.66 | 996.66 |
| Retained earnings | | |
| Balance at the beginning of the year | (3,592.36) | (2,358.19) |
| Loss for the year | (59.21) | (1,238.84) |
| Other comprehensive income/(loss) for the year | (2.98) | 4.67 |
| Balance as at end of the year | (3,654.55) | (3,592.36) |
| Total | (2,657.89) | (2,595.70) |

15 Lease liabilities

| | Non - current | | Current | |
|-------------------|----------------|----------------|----------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Lease liabilities | 556.43 | 965.06 | 279.80 | 369.58 |
| | 556.43 | 965.06 | 279.80 | 369.58 |

The movement of lease liabilities during the year is as below:

| | March 31, 2023 | March 31, 2022 |
|------------------------------|----------------|-----------------|
| At the beginning of the year | 1,334.64 | 3,082.96 |
| Additions | 7.18 | 435.16 |
| Interest expense | 94.64 | 235.20 |
| Payments | (393.36) | (714.73) |
| Termination of leases | (206.87) | (1,703.95) |
| At the end of the year | 836.23 | 1,334.64 |

The maturity analysis of lease liabilities are disclosed in Note 36.

Short-term leases and lease of low-value assets:

The Company also has certain leases with lease terms of 12 months or less and leases of properties with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Rental expenses of Rs. 74.15 lakhs (March 31, 2022: Rs.272.44 lakhs) have been recognised as a part of other expenses in the statement of profit and loss.

16 Other financial liabilities

| | Current | |
|-------------------------------------|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Unsecured, at amortised cost | | |
| Employee related liabilities | 27.26 | 40.65 |
| | 27.26 | 40.65 |

17 Provisions

| | Non Current | | Current | |
|---------------------------------|----------------|----------------|----------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Provision for employee benefits | | | | |
| Gratuity (Refer Note 34) | 12.15 | 3.47 | 4.38 | 5.52 |
| Compensated absences | - | - | 10.53 | 8.63 |
| | 12.15 | 3.47 | 14.91 | 14.15 |



Kurlon Retail Limited
Notes to the financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

18 Trade payables

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| At amortised cost | | |
| Total outstanding dues of micro enterprises and small enterprises - MSME (Refer Note 32) | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 101.82 | 154.09 |
| | 101.82 | 154.09 |

Ageing of trade payables

| | Outstanding for following periods from the date of transaction | | | | | Total |
|--------------------------------------|--|------------------|-------------|-------------|-------------------|---------------|
| | Accrued expenses | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| March 31, 2023 | | | | | | |
| Undisputed trade payables - MSME | - | - | - | - | - | - |
| Undisputed trade payables - Non MSME | 27.93 | 61.51 | 2.79 | 0.02 | 9.57 | 101.82 |
| Total | 27.93 | 61.51 | 2.79 | 0.02 | 9.57 | 101.82 |
| March 31, 2022 | | | | | | |
| Undisputed trade payables - MSME | - | - | - | - | - | - |
| Undisputed trade payables - Non MSME | 36.25 | 106.65 | - | 2.12 | 9.07 | 154.09 |
| Total | 36.25 | 106.65 | - | 2.12 | 9.07 | 154.09 |

19 Borrowings

| | March 31, 2023 | March 31, 2022 |
|-----------------------------|-----------------|-----------------|
| Secured borrowings | | |
| Loans from banks | 1.68 | 2.19 |
| Unsecured borrowings | | |
| Loans from related parties | 2,398.69 | 2,601.34 |
| | 2,400.37 | 2,603.53 |

(a) **Loan from banks of Rs. 1.68 lakhs (March 31, 2022: Rs. 2.19 lakhs)**

The Company has obtained corporate credit cards from banks and the outstanding balance as of March 31, 2023 is Rs. 1.68 lakhs (March 31, 2022 : Rs. 2.19 lakhs)

(b) **Loan from related parties of Rs. 2,398.69 lakhs (March 31, 2022: Rs. 2,601.34 lakhs)**

The Company has obtained a loan from holding company, Kurlon Enterprise Limited. The loan is unsecured and is repayable on demand and carries interest rate of 8.5% p.a.

The table below depicts changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes:

Reconciliation of liabilities arising from financing activities

| | Beginning of the year | Cash flows (net) | Non cash adjustments | End of the year |
|-------------------------|-----------------------|------------------|----------------------|-----------------|
| March 31, 2023 | | | | |
| Loans from banks | 2.19 | (0.51) | - | 1.68 |
| Loan from related party | 2,601.34 | (202.65) | - | 2,398.69 |
| Lease liabilities | 1,334.64 | (393.36) | (105.06) | 836.23 |
| Total | 3,938.17 | (596.52) | (105.06) | 3,236.60 |
| March 31, 2022 | | | | |
| Loans from banks | 2.21 | (0.02) | - | 2.19 |
| Loan from related party | 2,016.28 | 585.06 | - | 2,601.34 |
| Lease liabilities | 3,082.96 | (714.73) | (1,033.59) | 1,334.64 |
| Total | 5,101.45 | (129.69) | (1,033.59) | 3,938.17 |

20 Other liabilities

| | Mar 31, 2023 | March 31, 2022 |
|---|--------------|----------------|
| Contract liabilities - Advance from customers | 16.88 | 22.89 |
| Statutory dues payable | 8.79 | 27.00 |
| | 25.67 | 49.89 |

Contract liabilities are recognised as revenues when the Company performs under the contract (i.e. transfer of control of the related goods).



Kurlon Retail Limited
Notes to the financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

21 Revenue from operations

Revenue from contracts with customers

| | March 31, 2023 | March 31, 2022 |
|--------------------------------|-----------------|-----------------|
| Sale of products | | |
| Traded goods | 1,852.72 | 1,650.35 |
| Sale of Services | | |
| Others | 0.23 | - |
| Revenue from operations | 1,852.95 | 1,650.35 |

(a) Timing of revenue from operations

| | March 31, 2023 | March 31, 2022 |
|--------------------------------------|-----------------|-----------------|
| Goods transferred at a point in time | 1,852.95 | 1,650.35 |
| | 1,852.95 | 1,650.35 |

(b) Reconciliation of amount of revenue recognised with contract price

| | March 31, 2023 | March 31, 2022 |
|-------------------------------|-----------------|-----------------|
| Revenue as per contract price | 2,043.16 | 2,096.23 |
| Less : Schemes and rebates | (190.21) | (445.88) |
| | 1,852.95 | 1,650.35 |

(c) Movement in contract liabilities during the year *

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Opening balance | 22.89 | 18.81 |
| Less : Revenue recognised during the year | (22.89) | (18.81) |
| Add : Amount of consideration received during the year | 16.88 | 22.89 |
| Closing balance | 16.88 | 22.89 |

* Contract liabilities consists of advances received from customers towards supply of products.

22 Other income

| | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Interest income | | |
| - On bank deposits | 44.66 | 33.96 |
| - On others | - | - |
| Gain on termination of lease | 61.75 | 362.91 |
| Provision no longer required written back | 29.44 | - |
| Miscellaneous income | 1.82 | 3.49 |
| | 137.67 | 400.36 |

23 Purchase of traded goods

| | March 31, 2023 | March 31, 2022 |
|--------------------------|----------------|----------------|
| Purchase of traded goods | 857.95 | 764.98 |
| | 857.95 | 764.98 |

24 Changes in inventories of finished goods, work-in-progress and traded goods

| | March 31, 2023 | March 31, 2021 |
|---|----------------|----------------|
| Inventories at the end of the year | | |
| Traded goods | 182.74 | 459.42 |
| | 182.74 | 459.42 |
| Inventories at the beginning of the year | | |
| Traded goods | 459.42 | 725.75 |
| | 459.42 | 725.75 |
| | 276.68 | 266.33 |



Kurlon Retail Limited
Notes to the financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

25 Employee benefit expense

| | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Salaries, wages and bonus | 217.08 | 322.74 |
| Gratuity expenses (Refer Note 34) | 4.77 | 4.39 |
| Contribution to provident and other funds (Refer Note 34) | 16.55 | 32.65 |
| Staff welfare expenses | 5.57 | 8.61 |
| | 243.97 | 368.39 |

26 Finance costs

| | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Interest on lease liabilities (Refer Note 15) | 94.64 | 235.20 |
| Bank charges | 13.82 | 16.42 |
| | 108.46 | 251.62 |

27 Depreciation and amortisation expense

| | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Depreciation of property, plant and equipment | 36.53 | 322.89 |
| Amortisation of intangible assets | 0.50 | 1.09 |
| Depreciation of right to use assets | 267.47 | 605.09 |
| | 304.50 | 929.07 |

28 Other expenses

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Power and fuel | 44.45 | 56.77 |
| Advertisement expenses | - | 1.06 |
| Business promotion expenses | 28.21 | 3.04 |
| Freight and forwarding charges | 16.15 | 16.74 |
| Rent including lease rentals | 74.15 | 272.44 |
| Repairs and maintenance | | |
| Plant and machinery | 1.92 | 3.03 |
| Others | 14.17 | 11.12 |
| Rates and taxes | 4.73 | 36.88 |
| Insurance charges | 1.57 | 2.33 |
| Postage and telephone | 3.92 | 3.90 |
| Payment to auditors * | 12.20 | 10.00 |
| Travelling expenses | 13.07 | 9.93 |
| Legal and consultancy charges | 8.59 | 13.23 |
| Loss on sales of property, plant and equipment | 12.47 | 186.88 |
| Advances written off | 1.32 | - |
| Provision for doubtful advances | - | 20.39 |
| Security deposits written off | - | 31.46 |
| Miscellaneous expenses | 21.35 | 27.50 |
| | 258.27 | 706.70 |

*** Payment to auditors (excluding goods and service tax)**

| | | |
|------------------------|--------------|--------------|
| Audit services: | | |
| Statutory audit | 12.00 | 10.00 |
| Tax audit | - | - |
| Out of pocket expenses | 0.20 | - |
| | 12.20 | 10.00 |



Kurlon Retail Limited
Notes to the financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

29. Loss per share

| | March 31, 2023 | March 31, 2022 |
|--|-----------------------|-----------------------|
| Loss for the year | (59.21) | (1,238.84) |
| Weighted average number of equity shares outstanding (Basic and diluted) | 15,266,666 | 15,266,666 |
| Loss per share (Basic and diluted (In Rs.)) | (0.39) | (8.11) |

30. Segment reporting

The Company primarily is in the business of purchase and sale of mattress, foam and related products. The Company does not distinguish revenues and expenses between different businesses in its internal reporting and reports costs and expenses by nature as a whole. The CODM reviews the results when making decision about allocating resources and assessing performance of the Company as a whole and hence, the Company has only one reportable segment. The Company operates and manages its business as a single segment. As the Company's long-lived assets are all located in India and the Company's revenues are derived from India, no geographical information is presented.

31. Related party disclosure

Names of related parties and related party relationships

Names of related parties where control exists irrespective of whether transactions have occurred or not

| | |
|--------------------------|---|
| Ultimate Holding Company | Kanara Consumer Products Limited (Formerly known as Kurlon Limited) |
| Holding Company | Kurlon Enterprise Limited |

Other related parties with whom transactions have taken place during the year

| | |
|--|--|
| Fellow Subsidiary Company | Kanvas Concepts Private Limited Komfort Universe Products and Services Limited Belvedere International Limited |
| Enterprises owned or significantly influenced by key management personnel /Directors and their relatives | Maharashtra Apex Corporation Limited Manipal Advertising Services Private Limited Home Komfort Retail LLP (Acquired by Belvedere International Limited w.e.f September 01, 2022) |
| Directors and Key Management Personnel (KMP) | Mr. T. Sudhakar Pai, Director Mr. Jamsheed Minod Panday, Director Mr. Narendra Kudva, Director |

The transactions that have been entered into with related parties during the year are as follows:

| | March 31, 2023 | March 31, 2022 |
|---|-----------------------|-----------------------|
| <u>Sale of traded goods</u> | | |
| Belvedere International Limited | 18.16 | 1.50 |
| | 18.16 | 1.50 |
| <u>Sale of property, plant and equipment</u> | | |
| Kanvas Concepts Private Limited | - | 48.13 |
| | - | 48.13 |
| <u>Purchase of traded goods</u> | | |
| Kurlon Enterprise Limited | 823.32 | 719.11 |
| Belvedere International Limited | 18.60 | - |
| Home Komfort Retail LLP | 5.82 | 17.98 |
| | 847.74 | 737.09 |
| <u>Expenses incurred by Related Party</u> | | |
| Kurlon Enterprise Limited | 2.92 | 47.75 |
| | 2.92 | 47.75 |
| <u>Security Deposit Transferred to Related Party</u> | | |
| Kanvas Concepts Private Limited | - | 6.11 |
| | - | 6.11 |
| <u>Expense Incurred on Behalf of Related Party</u> | | |
| Kanvas Concepts Private Limited | - | 8.07 |
| | - | 8.07 |
| <u>Advertisement and Sales promotion expense</u> | | |
| Manipal Advertising Services Private Limited | - | 0.06 |
| | - | 0.06 |



31. Related party disclosure (Contd)

The balances receivable from and payable to related parties as at year end are as follows:

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Trade receivables | | |
| Kanvas Concepts Private Limited | - | 68.96 |
| | - | 68.96 |
| Borrowings | | |
| Kurlon Enterprise Limited | 2,398.69 | 2,601.34 |
| | 2,398.69 | 2,601.34 |
| Trade payables | | |
| Kanvas Concepts Private Limited | 41.80 | - |
| Belvedere International Limited | 2.26 | - |
| Maha Rashtra Apex Corporation Limited. | 0.41 | 1.03 |
| Home Komfort Retail LLP | - | 8.15 |
| Komfort Universe Products and Services Limited | - | 1.43 |
| | 44.47 | 10.61 |
| Security deposits | | |
| Maha Rashtra Apex Corporation Limited. | - | 15.00 |
| | - | 15.00 |

32. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

Based on the information available with the Company and the nature of the transaction with Micro, Small and Medium Enterprises, there are no dues which are outstanding for more than 45 days as at March 31, 2023 to these enterprises. Further, no interest has been paid or payable during the year under the terms of the MSMED Act, 2006.

33. Contingent liabilities and capital commitments

There are no contingent liabilities and capital commitments as on March 31, 2023 and March 31, 2022.

(This space has been intentionally left blank)



Kurlon Retail Limited
Notes to the financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

34. Employee benefits

Defined contribution plans

The Company makes contributions for qualifying employees to Provident Fund, Employee state insurance and labour welfare fund. During the year, the Company recognised Rs. 15.53 lakhs (March 31, 2022 : Rs 27.80 lakhs) towards Provident fund contributions, Rs 1.01 lakhs (March 31, 2022 : Rs 3.74 lakhs) towards Employee State Insurance scheme contributions and Rs. Nil (March 31, 2022 : Rs 1.11 lakhs) towards Labour Welfare fund.

Post-employment obligation - Gratuity

The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972 ('Gratuity Act') under which an employee who has completed five years of service is entitled to specific benefit. The amount of benefit provided depends on the employee's length of service and salary at retirement/termination date. The plan is funded by the company.

The following tables summarises the amounts recognised in the financial statements :

Balance Sheet

| | March 31, 2023 | March 31, 2022 |
|----------------------------|----------------|----------------|
| Defined benefit obligation | 19.70 | 12.49 |
| Plan assets | 3.17 | 3.50 |
| Net liability | 16.53 | 8.99 |
| Current | 4.38 | 5.52 |
| Non-current | 12.15 | 3.47 |

Changes in the present value of defined benefit obligation

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Balance at the beginning of the year | 12.49 | 12.78 |
| Service cost | 4.09 | 3.47 |
| Interest cost | 0.92 | 0.91 |
| Remeasurements - Actuarial loss/(gain) | 2.72 | (4.67) |
| Benefit paid | (0.52) | - |
| Balance at end of the year | 19.70 | 12.49 |

Changes in the fair value of plan assets

| | March 31, 2023 | March 31, 2022 |
|--------------------------------------|----------------|----------------|
| Balance at the beginning of the year | 3.50 | 3.51 |
| Contributions made | 0.19 | - |
| Interest income | 0.25 | 0.25 |
| Payments | (0.52) | - |
| Expenses on plan assets | - | (0.26) |
| Actuarial gain/(loss) | (0.25) | - |
| Balance at end of the year | 3.17 | 3.50 |

Statement of profit and loss

| | March 31, 2023 | March 31, 2022 |
|-------------------------------|----------------|----------------|
| Service cost | 4.09 | 3.47 |
| Interest cost (net of income) | 0.68 | 0.92 |
| Total | 4.77 | 4.39 |



34. Employee benefits (Continued)

Other comprehensive (income)/loss

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Remeasurements - Actuarial (gain)/loss | 2.72 | (4.67) |
| Return on plan assets | 0.25 | - |
| Total | 2.97 | (4.67) |

Principal assumptions used in determining defined benefit obligation

| | March 31, 2023 | March 31, 2022 |
|--------------------------------|----------------|----------------|
| Discount rate | 7.52% | 7.51% |
| Expected return on plan assets | 7.51% | 7.12% |
| Salary escalation | 10.00% | 5.00% |
| Employee turnover | 10.00% | 5.00% |

The categories of plan assets as a percentage of the fair value of total plan assets are as follows :

| | March 31, 2023 | March 31, 2022 |
|-------------------------------------|----------------|----------------|
| Investment with insurance companies | 100.00% | 100.00% |

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

Sensitivity analysis of significant assumptions

The following table presents a sensitivity analysis to one of the relevant actuarial assumptions, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

| | March 31, 2023 | March 31, 2022 |
|--------------------------|----------------|----------------|
| Discount rate | | |
| 1% increase | (2.62) | (1.47) |
| 1% decrease | 3.28 | 1.79 |
| Salary escalation | | |
| 1% increase | 3.10 | 1.74 |
| 1% decrease | (2.53) | (1.45) |
| Employee turnover | | |
| 1% increase | (0.83) | 0.18 |
| 1% decrease | 0.97 | (0.25) |

Maturity profile of defined benefit obligation

| | March 31, 2023 | March 31, 2022 |
|------------------|----------------|----------------|
| Within 1 year | 0.83 | 0.12 |
| 1-2 year | 0.73 | 0.11 |
| 2-3 year | 0.67 | 0.10 |
| 3-4 year | 0.60 | 0.10 |
| 4-5 year | 0.52 | 0.09 |
| 5-10 year | 1.83 | 0.37 |
| 10 years onwards | 14.54 | 11.61 |

The average duration of the defined benefit obligation at the end of the reporting year is 16.76 years (March 31, 2022 : 14.84 years).



35. Financial Instruments

All financial assets and liabilities for which fair value is measured or disclosed in these financial statements are categorised within the fair value hierarchy as below, based on the lowest level input that is significant to the fair value measurement as a whole :

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The carrying values and fair value measurement hierarchy of the Company's financial assets and financial liabilities are as below :

| | March 31, 2023 | | March 31, 2022 | |
|---|-----------------|-----------------|-----------------|-----------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| Financial assets measured at amortised cost | | | | |
| Non-current assets | | | | |
| Other financial assets | 128.15 | 128.15 | 272.18 | 272.18 |
| Current assets | | | | |
| Trade receivables | 76.80 | 76.80 | 77.34 | 77.34 |
| Cash and cash equivalents | 27.08 | 27.08 | 14.82 | 14.82 |
| Other bank balances | 3.38 | 3.38 | 3.21 | 3.21 |
| Other financial assets | 34.96 | 34.96 | - | - |
| | 270.37 | 270.37 | 367.55 | 367.55 |
| Financial liabilities measured at amortised cost | | | | |
| Non-current liabilities | | | | |
| Lease liabilities | 556.43 | 556.43 | 965.06 | 965.06 |
| Current liabilities | | | | |
| Lease liabilities | 279.80 | 279.80 | 369.58 | 369.58 |
| Borrowings | 2,400.37 | 2,400.37 | 2,603.53 | 2,603.53 |
| Trade payables | 101.82 | 101.82 | 154.09 | 154.09 |
| Other financial liabilities | 27.26 | 27.26 | 40.65 | 40.65 |
| | 3,365.68 | 3,365.68 | 4,132.91 | 4,132.91 |

36. Financial risk management objectives and policies

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse and set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company's Board of Directors is assisted in its oversight role by the internal audit who undertakes regular reviews of risk management controls and procedures, the results of which are reported to the Board of Directors. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(a) Market risk

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates which will affect the Company's income or the value of its financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency payables.

i. Currency risk

The Company does not have any foreign currency risk exposure.

ii. Interest rate risk

Interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The Company's borrowings are at fixed interest rate and are carried at amortised cost. The Company does not have any interest risk exposure.



36. Financial risk management objectives and policies (Continued)

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables, loans and other assets.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating review and individual credit limits are defined in accordance with this assessment. The Company regularly monitors its outstanding customer receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Cash and cash equivalents and other bank balances are neither past due nor impaired. Cash and cash equivalents include short-term highly liquid fixed deposits with banks which having maturity less than three months.

The movement in respect of allowance for expected credit losses is as follows :

| | Trade receivables | | Other assets | |
|--|-------------------|----------------|----------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| At the beginning of the year | - | - | 20.39 | - |
| Allowance created/(reversed/written off) during the year | - | - | (20.39) | 20.39 |
| At the end of the year | - | - | - | 20.39 |

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's

The table below provides details regarding the contractual maturities of financial liabilities :

| | Less than 1 year | 1 to 5 years | More than 5 years | Total |
|-----------------------------|------------------|-----------------|-------------------|-----------------|
| | | | years | |
| March 31, 2023 | | | | |
| Borrowings | 2,400.37 | - | - | 2,400.37 |
| Lease liabilities | 272.01 | 688.84 | - | 960.85 |
| Trade payables | 101.82 | - | - | 101.82 |
| Other financial liabilities | 27.26 | - | - | 27.26 |
| Total | 2,801.46 | 688.84 | - | 3,490.30 |
| March 31, 2022 | | | | |
| Borrowings | 2,603.53 | - | - | 2,603.53 |
| Lease liabilities | 385.85 | 1,098.07 | 36.83 | 1,520.75 |
| Trade payables | 154.09 | - | - | 154.09 |
| Other financial liabilities | 40.65 | - | - | 40.65 |
| Total | 3,184.12 | 1,098.07 | 36.83 | 4,319.02 |

The Company believes that the working capital is sufficient to meet its current requirements basis commitment and support from Kurlon Enterprise Limited, the Holding Company.

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Kurlon Retail Limited
Notes to the financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

37. Ratio analysis and its elements

| Ratio | Numerator | Denominator | March 31, 2023 | March 31, 2022 | % change | Reason for variance exceeding 25% as compared to the preceding period |
|---------------------------------|---|---|----------------|----------------|----------|---|
| Current ratio | Current assets | Current liabilities | 0.16 | 0.22 | -25% | |
| Debt equity ratio | Total debt | Shareholder's equity | (1.27) | (1.42) | 11% | |
| Debt service coverage ratio | Earnings for debt service = Net profits after taxes + Non cash operating expenses + Finance costs | Debt service = Interest and lease payments + Principal repayments | 0.50 | (1.25) | 140% | Decrease in Losses during the year resulted in Improvement of debt coverage. |
| Return on equity ratio | Net profits after taxes - Preference dividend | Average shareholder's equity | (0.03) | (1.02) | 97% | Decrease in losses during the year resulted in Improvement of return on equity. |
| Inventory turnover ratio | Cost of goods sold | Average inventory | 3.53 | 1.74 | 104% | Decrease in inventories during the year resulted in improvement of inventory turnover. |
| Trade receivable turnover ratio | Net credit sales = Gross credit sales - sales return | Average trade receivable | 24.04 | 38.04 | -38% | On account of increase in trade receivables, turnover is decreased. |
| Trade payable turnover ratio | Net credit purchases = Gross credit purchases - purchase return | Average trade payables | 8.72 | 10.62 | -18% | |
| Net capital turnover ratio | Net sales = Total sales - sales return | Working capital = Current assets - Current liabilities | (0.78) | (0.65) | -19% | |
| Net profit ratio | Net profit | Net sales = Total sales - Sales return | (0.03) | (0.75) | 96% | Decrease in losses during the year resulted in improvement of net profit ratio. |
| Return on capital employed | Earnings before interest and taxes | Capital employed = Tangible net worth + Total debt + Deferred tax liability | 0.10 | (1.28) | 108% | Decrease in losses during the year resulted in improvement of return on capital employed. |

Note: Since the company does not have any investment, return on investment has not been disclosed.

38. Other statutory information

- (i) The Company do not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) The Company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with the Registrar of Companies ("ROC") beyond the statutory period.
- (iv) The Company have not traded or invested in crypto currency or virtual currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company have not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as Income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(This space has intentionally been left blank)



Kurlon Retail Limited
Notes to the financial statements for the year ended March 31, 2023
All amounts in Rs. Lakhs, unless otherwise stated

39. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves. The primary objective of the Company's capital management is to maximize the shareholders value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or may issue new shares. The Company includes within net debt, borrowings net of cash and cash equivalents and other bank balances.

| | March 31, 2023 | March 31, 2022 |
|---|-------------------|-------------------|
| Borrowings | 2,400.37 | 2,603.53 |
| Lease liabilities | 836.23 | 1,334.64 |
| Less: Cash and cash equivalents and other bank balances | (27.08) | (14.82) |
| Net debt (A) | 3,209.52 | 3,923.35 |
| Equity | (1,894.56) | (1,832.37) |
| Total equity capital (B) | (1,894.56) | (1,832.37) |
| Total debt and equity (C)=(A)+(B) | 1,314.96 | 2,090.98 |
| Gearing ratio (A)/(C) | 244% | 188% |

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

40. The comparative figures have been regrouped/reclassified, where necessary, to confine to this period's classification as per the amendments in Schedule III to the Companies Act, 2013, which are effective April 1, 2022.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Rajeev Kumar
per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: August 29, 2023



For and on behalf of Board of Directors of Kurlon Retail Limited
CIN : U36104KA2012PLC065664

Jansheed Minoo Panday
Jansheed Minoo Panday
Director
DIN : 00232768

Place: Bengaluru
Date: August 29, 2023

Narendra Kudva
x

Narendra Kudva
Director
DIN : 07459916

Place: Bengaluru
Date: August 29, 2023



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Balance Sheet as at March 31, 2023

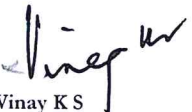
CIN: U52520KA2021PLC143244

(Amount in Rs. Lakhs, unless otherwise stated)

| Particulars | Note No. | As at March 31, 2023 | As at March 31, 2022 |
|--|----------|----------------------|----------------------|
| ASSETS | | | |
| Current assets | | | |
| (a) Inventories | 3 | - | 42.55 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 4 | 65.02 | 91.95 |
| (ii) Cash and Cash equivalents | 5 | 7.18 | 0.46 |
| (c) Other Current Assets | 6 | 59.84 | 100.89 |
| Total Current Assets | | 132.04 | 235.85 |
| Total Assets | | 132.04 | 235.85 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share capital | 7 | 5.00 | 5.00 |
| (b) Other Equity | 8 | (386.47) | (393.84) |
| Total Equity | | (381.47) | (388.84) |
| LIABILITIES | | | |
| Non Current Liabilities | | | |
| (a) Provisions | 9 | 33.42 | 12.31 |
| Total Non Current Liabilities | | 33.42 | 12.31 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Trade Payables | 10 | | |
| (A) Total outstanding dues to Micro, small and Medium Enterprises | | | - |
| (B) Total outstanding dues of creditors other than Micro, small and Medium Enterprises | | 372.11 | 330.46 |
| (ii) Other Financial liabilities | 11 | 48.39 | 18.00 |
| (b) Other Current Liabilities | 12 | 45.53 | 217.66 |
| (c) Provisions | 13 | 14.06 | 46.26 |
| Total Current Liabilities | | 480.09 | 612.38 |
| Total Equity and Liabilities | | 132.04 | 235.85 |
| Summary of Significant Accounting Policies | 1, 2 | | |
| The accompanying notes form an integral part of the financial statements | 1 to 30 | | |

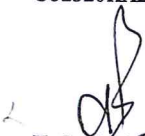
As per our report of even date attached

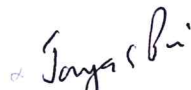
For ASA & Associates LLP
Chartered Accountants
Firm Registration No.009571N/500006


Vinay K S
Partner
Membership No. 223085



For and on behalf of the Board
Komfort Universe Products And Services Limited
U52520KA2021PLC143244


T. Sudhakar Pai
Director
DIN- 00043298


Jaya Sudhakar Pai
Director
DIN- 00030515

Place: Bengaluru
Date: 25.07.2023

Place: Bengaluru
Date: 25.07.2023

Place: Bengaluru
Date: 25.07.2023

KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED
Statement of Profit and Loss for the Period from April 2022 to March 31, 2023

CIN: U52520KA2021PLC143244

(Amount in Rs. Lakhs, unless otherwise stated)

| Particulars | Note No. | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|---|----------|-------------------------------------|--|
| Income | | | |
| I Revenue from operations | 14 | 231.05 | 4,499.65 |
| II Other Income | 15 | 599.97 | 0.02 |
| III Total Income (I+II) | | 831.02 | 4,499.67 |
| IV Expenses | | | |
| Purchases of stock in trade | 16a | 186.36 | 3,845.95 |
| Changes in inventories of stock in trade | 16b | 42.55 | (42.55) |
| Employee benefits expense | 17 | 294.79 | 449.39 |
| Finance costs | 18 | 0.01 | 0.07 |
| Other expenses | 19 | 316.38 | 640.65 |
| Total Expenses (IV) | | 840.09 | 4,893.51 |
| V Profit before Exceptional Items and tax (III-IV) | | (9.07) | (393.84) |
| VI Exceptional Items | | - | - |
| VII Profit/(loss) before tax (V-VI) | | (9.07) | (393.84) |
| VIII Tax Expense | | | 29.00 |
| Current tax | | - | - |
| Tax credit of earlier years | | - | - |
| Deferred tax | | - | - |
| IX Profit for the Period (VII-VIII) | | (9.07) | (393.84) |
| Other comprehensive income | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| (a) Re-measurements of the defined benefit plans [gain/ (loss)] | | 16.44 | - |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| X Total other comprehensive income | | 16.44 | - |
| XI Total comprehensive income for the Period (IX+X) | | 7.37 | (393.84) |
| Earnings per equity share : | | | |
| Equity shares of par value Rs 10 each | | | |
| (1) Basic (Rs) | 20 | 14.74 | (787.69) |
| (2) Diluted (Rs) | 20 | 14.74 | (787.69) |
| The accompanying notes form an integral part of the financial statements | 1 to 30 | | |

As per our report of even date attached

For ASA & Associates LLP

Chartered Accountants 1 to 30
 Firm Registration No.009571N/500006

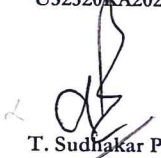

 Vinay K S
 Partner
 Membership No. 223085

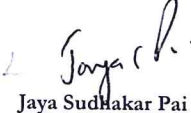


Place: Bengaluru
 Date: 25.07.2023

For and on behalf of the Board

Komfort Universe Products And Services Limited
 U52520KA2021PLC143244


 T. Sudhakar Pai
 Director
 DIN- 00043298


 Jaya Sudhakar Pai
 Director
 DIN- 00030515

Place: Bengaluru
 Date: 25.07.2023

Place: Bengaluru
 Date: 25.07.2023

KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

For the Period from April 01, 2022 to March 31, 2023

CIN: U52520KA2021PLC143244

Cash flow statement for the year ended 31 March 2023

(Amount in Rs. Lakhs, unless otherwise stated)

| Particulars | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|---|----------------------------------|--|
| A. Cash flows from Operating Activities | | |
| Profit for the Period | (9.07) | (393.84) |
| Adjustments for: | | |
| Finance costs recognized in profit or loss | 0.01 | 0.07 |
| | (9.06) | (393.77) |
| Movements in working capital: | | |
| (Increase)/Decrease in Inventories | 42.55 | (42.55) |
| (Increase)/Decrease in Trade Receivables | 26.93 | (91.95) |
| (Increase)/Decrease in Other Current Assets | 41.05 | (100.89) |
| Increase/(Decrease) in Other Current Liabilities | (172.13) | 217.66 |
| Increase/(Decrease) in Trade Payables | 41.65 | 330.46 |
| Increase/(Decrease) in Provisions | (32.20) | 46.26 |
| Increase/(Decrease) in Other Financial Liabilities | 30.39 | 18.00 |
| Increase/(Decrease) in Provisions in Non current Liabilities | 37.55 | 12.31 |
| | 15.79 | 389.30 |
| Cash Flows generated from Operating Activities | 6.73 | (4.47) |
| Net cash flow from operating activities (A) | 6.73 | (4.47) |
| B. Cash flows from Investing Activities | | |
| Proceeds from disposal of investment property | - | - |
| Payments for intangible assets | - | - |
| Net cash flow from / (used in) Investing Activities (B) | - | - |
| C. Cash flows from Financing Activities | | |
| Proceeds From issue of shares | - | 5.00 |
| Bank Charges | (0.01) | (0.07) |
| Net cash flow from / (used in) financing activities (C) | (0.01) | 4.93 |
| Net increase / decrease in cash and cash equivalents (A+B+C) | 6.72 | 0.46 |
| Cash and cash equivalents at the beginning of the year | 0.46 | - |
| Cash and cash equivalents at the end of the period | 7.18 | 0.46 |

The accompanying notes form an integral part of the financial statements 1 to 30

In terms of our report attached.

For ASA & Associates LLP

Chartered Accountants

Firm Registration No.009571N/500006


Vinay K S

Partner

Membership No. 223085



For and on behalf of the Board

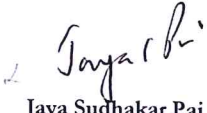
Komfort Universe Products And Services Limited

U52520KA2021PLC143244


T. Sudhakar Pai

Director

DIN- 00043298


Jaya Sudhakar Pai

Director

DIN- 00030515

Place: Bengaluru

Date: 25.07.2023

Place: Bengaluru

Date: 25.07.2023

Place: Bengaluru

Date: 25.07.2023

KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Statement of Changes in Equity for the year ended March 31, 2023

CIN: U51909KA2008PLC045558

A) Equity Share Capital

(Amount in Rs. Lakhs, unless otherwise stated)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Equity share of Rs. 10/- each issued, subscribed and fully paid | | |
| Balance at the beginning of the current reporting year | 5.00 | 5.00 |
| Changes in Equity Share Capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting year | 5.00 | 5.00 |
| Changes in equity share capital during the current year | - | - |
| Balance at the end of the current year | 5.00 | 5.00 |

B) Other Equity

| Particulars | Reserves and Surplus | | Items of OCI | Total |
|--|----------------------|------------------|---|-------|
| | Retained Earnings | Capital Reserves | Investment in equity instruments measured at fair value through OCI | |
| Balance as on 18th January 2021 | - | - | - | - |
| Changes in accounting policy or prior period errors | - | | | - |
| Restated balance at the beginning of the current reporting year | - | | | - |
| Total Comprehensive Income for the current year | (393.84) | | | |
| Other comprehensive Income (net of tax) | | | | |
| Remeasurement of net defined benefit liability/asset (net of tax) * | | | | - |
| Balance as on 31st March 2022 | (393.84) | - | - | - |
| Changes in accounting policy or prior period errors | | | | |
| Restated balance at the beginning of the current reporting year | | | | |
| Total Comprehensive Income for the current year | (9.07) | | | |
| Other comprehensive Income (net of tax) | | | | |
| Remeasurement of net defined benefit liability/asset (net of tax) * | 16.44 | - | - | - |
| Balance as on 31st March 2023 | (386.47) | - | - | - |

* In accordance with Notification G.S.R 404(E), dated 06 April 2016, the company has recognised remeasurement of defined benefit plans amounting to Rs.16.44 Lakhs {PY - 0 Lakhs} as a part of retained earnings in previous financial year.


The accompanying notes form an integral part of the financial statements 1 to 30

In terms of our report attached.

For ASA & Associates LLP

Chartered Accountants

Firm Registration No.009571N/500006

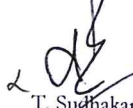

Vinay K S
Partner
Membership No. 223085

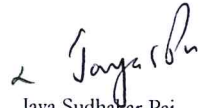


For and on behalf of the Board

Komfort Universe Products And Services Limited

U52520KA2021PLC143244


T. Sudhakar Pai
Director
DIN- 00043298


Jaya Sudhakar Pai
Director
DIN- 00030515

Place: Bengaluru

Date: 25.07.2023

Place: Bengaluru

Date: 25.07.2023

Place: Bengaluru

Date: 25.07.2023

Notes forming part of the Financial Statements

Significant Accounting Policies

1 Corporate Information

Komfort Universe Products And Services Limited was incorporated in Karnataka on 18.01.2021. The Company is a wholly owned subsidiary company of Kurlon Enterprise Limited and is engaged in the business of buying, selling, reselling, importing, exporting, transporting, storing, promoting, marketing, supplying, dealing and trading of Semi-finished Goods (SFG), foam products, RC Pads, EPE Products and other related Products and Services on B2B basis in India and outside India.

2 Significant Accounting Policies

2.1 Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS" notified under the Companies (Indian Accounting Standards) Rules, 2015. The Company has prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies, Act, 2013 read together with paragraph 7 of Companies Rules, 2014 ("Indian GAAP").

2.2 Basis of Preparation and Presentation

These Financial Statements are prepared in accordance with Division II of schedule III of Companies Act, 2013 , under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Financial Statements are presented in Indian Rupees Lakhs unless otherwise stated. Further deferred benefit plans and plan assets are measured at fair value at the end of the each reporting period as explained in the accounting policies below:

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transactions to sell the asset or transfer the liability takes place either in the principle market for the asset or liability, or in the absence of principle market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability and the assumptions the market participants would consider when pricing the asset or liability at the measurement date, assuming that market participants act in their best economic interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

Fair value measurement :

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.



2.3 Use of Estimates and Judgement

In preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS, management of the Company has made estimates, judgements and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures relating to contingent liabilities as at the date of the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively, judgements are made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an ongoing basis.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year in respect of percentage of completion of contracts and recognition of probable loss, useful lives of property, plant and equipment, provision for income tax and valuation of deferred tax assets/ liabilities, provision for warranty and other provisions and contingent liabilities.

Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation arising out of past events and it is probable that an outflow of economic resources would be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements but are disclosed appropriately. A contingent asset is neither recognized nor disclosed in the financial statements.

2.4 Revenue recognition

Sale of goods

Revenue from the sale of goods is recognized when (i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, (ii) effective control over the goods sold, (iii) the amount of revenue can be measured reliably; (iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sales returns are recognized as and when ascertained and are reduced from the sales turnover of the year. Amounts disclosed as revenue are net of Sales Tax, Goods & Service Tax, trade allowances, rebates and value added items.

Other income

Interest income- Interest Income is recognized and accounted on the basis of the effective Interest rate method.

Dividend Income- Dividend income is accounted for when the right to receive is established.

2.5 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ' Profit before tax ' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years (Temporary Differences) and items that are never taxable or deductible (Permanent Differences). The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.



Notes forming part of the Financial Statements

Significant Accounting Policies

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax ("MAT") paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognized as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

2.6 Inventory

Items of Inventories are valued at the lower of cost and the net realizable value. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Cost of inventories are determined on a weighted average basis.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.7 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.8 Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A) Financial Assets

Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Financial Assets at Amortized Cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



Significant Accounting Policies

Derecognition of financial assets A financial asset is derecognised only when Company has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Financial Assets at Fair Value Through Profit and Loss (FVTPL)

Financial assets are measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognized in statement of profit and loss.

B) Financial Liabilities and Equity

Financial Liabilities at Amortized Cost

Financial liabilities are measured at amortized cost using effective interest method.

Equity Instruments

An equity instrument is contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognized by the Company are recognized at the proceeds received net off direct issue cost.

2.9 Earnings Per Share (EPS)

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.10 Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

Inherent in the application of many of the accounting policies used in preparing the Financial Statements is the need for Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. Key source of judgments, assumptions and estimation uncertainty if the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of Oil impairment, useful lives of Property, Plant and Equipment, depletion of oil and gas assets, decommissioning provision, employee benefit obligations, provisions, provision for income tax, measurement of deferred tax assets and contingent assets.

2.11 Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the Management have made in the process of applying the company's accounting policies and that have the significant on the amounts recognized in the Financial Statements.

2.12 Determination of functional currency

Currency of the primary economic environment in which the company operates ("the functional currency") is Indian Rupee (₹) I which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee(₹).

2.13 Impact Assessment on Ind AS amendments applicable for FY 2023-24

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.



Significant Accounting Policies

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED
Notes forming part of the Financial Statements

(Amount in Rs. Lakhs, unless otherwise stated)

3 Inventories

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| (a) Stock-in-trade | - | 42.55 |
| Total Inventories at lower of Cost or Net Realisable Value (NRV) | - | - |

4 Trade Receivables

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Trade Receivables (Unsecured) | | |
| (a) Considered good | 65.02 | 91.95 |
| (b) which have significant increase in Credit Risk | - | - |
| | 65.02 | 91.95 |
| Less: Allowance for Doubtful trade receivables | - | - |
| TOTAL | 65.02 | 91.95 |

4 Trade receivables Ageing Schedule

As at 31 March 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|-------------------|-------------|-----------|-------------------|--------------|
| | Less than 6 months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables – considered good | 14.22 | 40.83 | 9.97 | - | - | 65.02 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Undisputed Trade receivable – credit impaired | - | - | - | - | - | - |
| Disputed Trade receivables - considered good | - | - | - | - | - | - |
| Disputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed Trade receivables – credit impaired | - | - | - | - | - | - |
| | 14.22 | 40.83 | 9.97 | - | - | 65.02 |

As at 31 March 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|-------------------|-----------|-----------|-------------------|--------------|
| | Less than 6 months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables – considered good | 91.95 | - | - | - | - | 91.95 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Undisputed Trade receivable – credit impaired | - | - | - | - | - | - |
| Disputed Trade receivables - considered good | - | - | - | - | - | - |
| Disputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed Trade receivables – credit impaired | - | - | - | - | - | - |
| | 91.95 | - | - | - | - | 91.95 |

5 Cash and Bank Balances

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------|----------------------|----------------------|
| Cash and Cash Equivalents | | |
| Balances with Banks | 7.18 | 0.46 |
| TOTAL | 7.18 | 0.46 |

6 Other Current Assets

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Current | | |
| (a) Advances to employees | - | 2.50 |
| (b) Advances to suppliers | 5.36 | 23.29 |
| (c) Balances with government authorities | 54.48 | 75.10 |
| TOTAL | 59.84 | 100.89 |



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED
Notes forming Part of the Financial Statements

7 Equity Share Capital

(Amount in Rs. Lakhs, unless otherwise stated)

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|----------------------|-------|----------------------|-------|
| | No. of shares | Value | No. of shares | Value |
| Authorised: | | | | |
| Equity shares of ₹ 10/- each with voting rights | 50,000 | 5 | 50,000 | 5 |
| Issued, Subscribed and fully Paid: | | | | |
| Equity shares of ₹ 10/- each with voting rights | 50,000 | 5 | 50,000 | 5 |

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|----------|----------------------|----------|
| | No. of shares | Value | No. of shares | Value |
| Equity Shares | | | | |
| Fully paid shares allotted during the Period | 50,000 | 5 | 50,000 | 5 |
| Outstanding at the end of the period | 50,000 | 5 | 50,000 | 5 |

(ii) Terms/Rights attached to Equity Shares

- a. The company has only one class of equity shares having a par value of ₹ 10/- each per share. Each holder of equity shares is entitled to one vote per share.
- b. In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of Shares held by the Holding Company

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|----------------------|-----------------------------------|----------------------|-----------------------------------|
| | No. of shares held | % holding in that class of shares | No. of shares held | % holding in that class of shares |
| Kurlon Enterprise Limited | | | | |
| Equity shares of ₹ 10/- each with voting rights | 50,000 | 100.00% | 50,000 | 100.00% |

(iv) Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of Shareholder | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|-----------------------------------|----------------------|-----------------------------------|
| | No. of shares held | % holding in that class of shares | No. of shares held | % holding in that class of shares |
| Equity shares of ₹ 10/- each with voting rights Kurlon Enterprise Limited | 50,000 | 100.00% | 50,000 | 100.00% |

(v) Details of shares held by Promoters

| Class of shares / Name of Shareholder | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|-----------------------------------|----------------------|-----------------------------------|
| | No. of shares held | % holding in that class of shares | No. of shares held | % holding in that class of shares |
| Equity shares of ₹ 10/- each with voting rights Kurlon Enterprise Limited | 50,000 | 100.00% | 50,000 | 100.00% |



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Notes forming part of the Financial Statements

8 Other equity

(Amount in Rs. Lakhs, unless otherwise stated)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Retained earnings | | |
| Opening Balance | (393.84) | - |
| Profit / (Loss) attributable to owners of the Company | (9.07) | (393.84) |
| Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax) Dividend distributed during the year | 16.44 | - |
| Closing Balance | | |
| Capital Reserve Opening balance Addition to the reserve | (386.47) | (393.84) |
| Transfer/ utilization of reserve | - | - |
| Closing Balance | - | - |
| Investment In Equity Instruments fair valued through OCI | | |
| Opening balance Addition to the reserve | - | - |
| Transfer/ utilization of reserve | - | - |
| Income Tax effect on fair valuation of investment | - | - |
| Net surplus in the Investment valuation reserve | | |
| Total Reserves and Surplus | (386.47) | (393.84) |

9 Provisions

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------------|----------------------|----------------------|
| Non - Current Provision | | |
| - Provision for Gratuity | 21.46 | 1.60 |
| - Provision for Leave Encashment | 11.96 | 10.71 |
| Total | 33.42 | 12.31 |

10 Trade Payables

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Total outstanding dues to Micro, small and Medium Enterprises | - | - |
| Total outstanding dues of creditors other than Micro, small and Medium Enterprises | 372.11 | 330.46 |
| Total | 372.11 | 330.46 |

Ageing of trade payables

| Particulars | Outstanding for following periods from the due date of payment | | | | Total |
|--------------------------------------|--|---------------|-------------|-------------------|---------------|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| March 31, 2023 | | | | | |
| Undisputed trade payables - MSME | - | - | - | - | - |
| Undisputed trade payables - Non MSME | 239.32 | 132.79 | - | - | 372.11 |
| Total | 239.32 | 132.79 | - | - | 372.11 |

Ageing of trade payables

| Particulars | Outstanding for following periods from the due date of payment | | | | Total |
|--------------------------------------|--|-------------|-------------|-------------------|---------------|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| March 31, 2022 | | | | | |
| Undisputed trade payables - MSME | - | - | - | - | - |
| Undisputed trade payables - Non MSME | 330.46 | - | - | - | 330.46 |
| Total | 330.46 | - | - | - | 330.46 |

11 Other Financial Liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| Other Financial Liabilities Measured at Amortized Cost | | |
| Current | | |
| a. Deposit from Dealers | 48.39 | 18.00 |
| Total | 48.39 | 18.00 |

12 Other Current Liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| a. Advances received from customers | 8.79 | 157.94 |
| b. Statutory dues | - | - |
| - taxes payable (other than income taxes) | 14.58 | 23.68 |
| c. Salary Payable | 22.16 | 36.04 |
| Total | 45.53 | 217.66 |

13 Provisions

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------|----------------------|----------------------|
| Current Provision | | |
| Gratuity Payable | 1.04 | 31.32 |
| Bonus Payable | 10.10 | 11.46 |
| Leave Encashment Payable | 2.92 | 3.48 |
| Total | 14.06 | 46.26 |



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED**Notes forming part of the Financial Statements****14 Revenue from Operations**

(Amount in Rs. Lakhs, unless otherwise stated)

| Particulars | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|--------------------------------------|----------------------------------|--|
| Sale of products | 233.60 | 4590.30 |
| Less: Schemes & Rebates | -2.55 | -90.65 |
| Total Revenue from Operations | 231.05 | 4,499.65 |

15 Other Income

| Particulars | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|---|----------------------------------|--|
| (a) Interest Income, On Financial Assets at Amortized Cost | | |
| Reimbursement -expenses | 599.79 | - |
| Interest from banks on deposits | - | 0.02 |
| Interest Received on IT Refunds | 0.18 | - |
| Total Other Income | 599.97 | 0.02 |

16 a. Purchase of stock-in-trade

| Particulars | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|------------------|----------------------------------|--|
| Stock -in -Trade | 186.36 | 3,845.95 |
| | 186.36 | 3,845.95 |

b. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

| Particulars | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|--|----------------------------------|--|
| <u>Inventories at the beginning of the year:</u> | | |
| Stock-in-trade | 42.55 | 0.00 |
| | 42.55 | - |
| <u>Inventories at the end of the Period:</u> | | |
| Stock-in-trade | - | 42.55 |
| | - | 42.55 |
| Net (increase) / decrease | 42.55 | (42.55) |



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED
Notes forming part of the Financial Statements

17 Employee Benefits Expense

(Amount in Rs. Lakhs, unless otherwise stated)

| Particulars | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|---|----------------------------------|--|
| Salaries and wages | 268.89 | 376.25 |
| Contribution to provident and other funds | 9.99 | 14.56 |
| Employer Contribution Gratuity | 6.02 | 32.92 |
| Bonus and Leave encashment | 9.89 | 25.66 |
| Total | 294.79 | 449.39 |

18 Finance Cost

| Particulars | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|--------------|----------------------------------|--|
| Bank Charges | 0.01 | 0.07 |
| Total | 0.01 | 0.07 |

19 Other Expenses

| Particulars | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|-----------------------------|----------------------------------|--|
| Advertisement Expenses | 199.03 | 395.29 |
| Business promotion | 12.82 | 133.30 |
| Freight | - | 5.35 |
| Administrative charges | 40.88 | 2.37 |
| Legal and professional | 55.53 | 56.27 |
| Payment to auditors: | | |
| -For Statutory audit | 0.75 | 0.60 |
| Rates and taxes | 1.01 | 13.47 |
| Printing & Stationary | 0.11 | 0.06 |
| Travelling and conveyance | 5.95 | 33.86 |
| Sundry Debtors Written Off | 0.04 | - |
| Preliminary Expenses w/o | - | 0.08 |
| Miscellaneous Expenses | 0.26 | 0.00 |
| Total Other Expenses | 316.38 | 640.65 |



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED**Notes forming part of the Financial Statements**20 **Earnings per share has been computed as under:**

(Amount in Rs. Lakhs, unless otherwise stated)

Earnings per share

| Particulars | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|---|----------------------------------|--|
| Profit after Tax | 7.37 | -393.84 |
| Weighted average number of Equity shares outstanding -Basic (Nos. Lakhs) | 0.50 | 0.50 |
| Weighted average number of Equity shares outstanding- Diluted (Nos.Lakhs) | 0.50 | 0.50 |
| Earnings per share – Basic (₹) | 14.74 | -787.69 |
| Earnings per share – Diluted (₹) | 14.74 | -787.69 |
| Face Value of Equity Shares (₹) | 10/- | 10/- |

Note:

| Particulars | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|--|----------------------------------|--|
| Weighted average number of equity shares for Basic EPS (Nos. in Lakhs) | 0.50 | 0.50 |
| Weighted average number of equity shares for Diluted EPS (Nos. in Lakhs) | 0.50 | 0.50 |

21 **Contingent Liabilities & Capital Commitments**

During the Period ended, there are no capital commitments and contingent liabilities.

22 **Segment Reporting****Operating Segment:**

a) The Company is predominantly engaged in the business of trading in foam and related products. Considering the manner of review by the CODM in respect of

- Resources to be allocated to the segment and
- Segment financial performance, 'Foam & Related products' has been identified as the single operating segment.

b) the revenues from the customers which exceeds the 10% of Revenue from operations are as follows

- For the year ended 31 March 2023, from Kurlon enter prise Limited Rs.43.86 lakhs
- For the Period from January 18, 2021 to March 31, 2022, from "M/S. Geet Gunjan the Furnishing Nest" amounts to Rs.4,71.92 lakhs

b) **Geographical segment information:** Separate geographical segment information has not been disclosed as more than 100% of the Revenue is in the domestic market.

KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Notes forming part of the Financial Statements

(Amount in Rs. Lakhs, unless otherwise stated)

23 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' (the Act). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2023 has been made in the financial statements based on information received and available with the Company.

| Particulars | As at Mar 31, 2023 | As at Mar 31, 2022 |
|--|--------------------|--------------------|
| (i) The principal amount remaining unpaid to any supplier at the end of each accounting year; | - | - |
| (ii) The interest due thereon remaining unpaid to any supplier at the end of each accounting year; | - | - |
| (iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |
| (iv) The amount of interest due and payable for the period of delay in making payment (which has | - | - |
| (v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |

24 Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, a Company meeting the applicability threshold, need to spend at least 2% of average net profit for the immediately preceding three financial years on Corporate Social Responsibility(CSR) activities. The areas for CSR activities are as stated in Schedule VII of the Companies Act . These provisions are not applicable as the company does not qualify for the parameters required to be met in order to carry out the CSR activities.



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Notes forming part of the Financial Statements

25 Related party disclosures

(Amount in Rs. Lakhs, unless otherwise stated)

a) List of Related Parties and Relationships

| Relationship | Related Parties |
|---|---|
| Ultimate Holding Company | Kurlon Limited |
| Holding Company | Kurlon Enterprise Limited |
| Fellow Subsidiaries | Kurlon Retail Limited |
| Enterprises owned or significantly influenced by key management personnel /Directors and their relatives(Where transactions have taken place during the year) | Starship Value chain and Manufacturing Private Limited (Formerly Starship Global VCF LLP)(w.e.f from March 21,2021) |
| | Manipal Advertising Services Private Limited |
| Key Management Personnel | Manipal Travels Pvt Ltd |
| | Mr. T. Sudhakar Pai, Director Ms. Jaya S Pai, Director Ms. Jyothi Ashish Pradhan, Director |

b) Related Party transactions

| Particulars | Key Management personnel and their Relatives | | Enterprises owned or significantly influenced by Key Management Personnel / Directors and their | | Fellow Subsidiaries | | Holding Company | | Key Management personnel and their Relatives | | Ultimate Holding Company | | Enterprises owned or significantly influenced by Key Management Personnel / Directors and their relatives | | Fellow Subsidiaries | | Holding Company | |
|--|--|------------|---|------------|---------------------|------------|-----------------|------------|--|------------|--------------------------|------------|---|------------|---------------------|------------|-----------------|----------|
| | 31.03.2023 | 31.03.2023 | 31.03.2023 | 31.03.2023 | 31.03.2023 | 31.03.2023 | 31.03.2022 | 31.03.2022 | 31.03.2022 | 31.03.2022 | 31.03.2022 | 31.03.2022 | 31.03.2022 | 31.03.2022 | 31.03.2022 | 31.03.2022 | 31.03.2022 | |
| Transactions during the Period: | | | | | | | | | | | | | | | | | | |
| Income | | | | | | | | | | | | | | | | | | |
| Sales | - | (0.26) | - | - | - | 43.86 | - | - | - | - | - | - | - | - | 1.21 | - | 8.81 | - |
| Reimbursement of Expenses | - | - | - | - | - | 599.79 | - | - | - | - | - | - | - | - | - | - | - | - |
| Expenses | | | | | | | | | | | | | | | | | | |
| Purchases | - | 109.78 | - | - | - | 76.56 | - | - | - | - | - | - | - | - | - | - | - | 3,753.93 |
| Advertisement Expenses | - | - | - | - | - | - | - | - | - | - | - | - | 0.22 | - | - | - | - | - |
| Travelling Expenses | - | - | 1.34 | - | - | - | - | - | - | - | - | - | 32.35 | - | - | - | - | - |
| Administrative Services | - | - | 40.87 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Outstanding as at Period end: | | | | | | | | | | | | | | | | | | |
| Trade Receivable | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1.43 | - | - | - |
| Trade Payable | - | 129.54 | 18.68 | - | - | 156.99 | - | - | - | - | - | 0.22 | - | - | - | - | - | 300.29 |



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED**Notes forming part of the Financial Statements**

(Amount in Rs. Lakhs, unless otherwise stated)

26 Financial Instruments**A) Capital Management**

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The company monitors the return on capital as well as the level of dividends on its equity shares. The company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

| Particulars | As at 31-Mar-23 | As at 31-Mar-22 |
|---|--------------------|--------------------|
| Total equity attributable to the equity shareholders of the company | (381.47) | (388.84) |
| As a percentage of total capital | 100% | 100% |
| Current borrowings | - | - |
| Non-current borrowings | - | - |
| Total borrowings | - | - |
| As a percentage of total capital | 0% | 0% |
| Total Capital | (381.47) | (388.84) |

The company is predominantly equity financed which is evident from the capital structure table.

B) Categories of financial instruments

The carrying amounts and fair values of the financial instruments by class are as follows:

| Particulars | Carrying amount | Carrying amount |
|-----------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Financial assets | | |
| Measured at Amortized Cost | | |
| Current assets | | |
| - Trade receivables | 65.02 | 91.95 |
| - Cash and cash equivalents | 7.18 | 0.46 |
| Total | 72.20 | 92.41 |
| Financial Liabilities | | |
| Measured at Amortized Cost | | |
| Current liabilities | | |
| - Trade payables | 372.11 | 330.46 |
| - Other financial liabilities | 48.39 | 18.00 |
| Total | 420.50 | 348.46 |

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The company has disclosed financial instruments which comprise of deposits, trade and other payables, trade and other receivables, cash and cash equivalents and other bank balances at carrying value because their carrying value are a reasonable approximation of the fair values due to their short term nature.
2. Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken into the account for the expected losses of these receivables.

C) Financial Risk Management

The company's principal financial liabilities, comprise of deposits, trade and other payables.

The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The company's financial risk management is an integral part of how to plan and execute its business strategies. The company is exposed to market risk, credit risk and liquidity risk.

The company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the company are accountable to the Board of Directors and Audit Committee.

This process provides assurance to company's senior management that the company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with company policies and company risk objective.



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Notes forming part of the Financial Statements

(Amount in Rs. Lakhs, unless otherwise stated)

The management reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk. Financial instruments affected by market risks include borrowings, security deposits, investments and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at March 31, 2023. The analysis exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2023.

i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from various countries. The company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

This is not applicable as there is no Foreign currency exposure on the company.

ii) Interest Rate Risk

Interest rate is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises of trade payables and security deposits; however these are not exposed to risk of fluctuation in market interest rates as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

Interest rate risk management

Interest rate risk arises from borrowings. Debt issued at variable rates exposes the company to cash flow risk. Debt issued at fixed rate exposes the company to fair value risk. At the reporting date there are no interest-bearing financial instruments of the company, so this is not applicable.

Interest rate sensitivity analysis

Financial instruments affected by interest rate changes include Secured Long term loans from banks, Secured Long term loans from others and Secured Short term loans from banks. This is not applicable for the company as there are no borrowings.

(b) Credit Risk :

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

i) Trade Receivables

Customer credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating review and individual credit limits are defined in accordance with this assessment. The company regularly monitors its outstanding customer receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Notes forming part of the Financial Statements

(Amount in Rs. Lakhs, unless otherwise stated)

(Amount in Rs. Lakhs, unless otherwise stated)

ii) Financial instruments and cash & bank deposits

Credit risk from balances with banks and financial institutions is managed by the company's finance department in accordance with the company's policy. Investments of surplus funds are made in bank deposits, bonds and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the company.

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------|-------------------------|-------------------------|
| Current assets | | |
| - Trade receivables | 65.02 | 91.95 |
| - Cash and cash equivalents | 7.18 | 0.46 |
| Total | 72.20 | 92.41 |

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis and loss allowance of trade receivables given below has been considered from the date the invoice falls due:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------|-------------------------|-------------------------|
| Not Due | - | - |
| Due from 0 to 180 days | 14.22 | 91.95 |
| Due for more than 180 days | 50.80 | - |
| Less: Loss Allowance | - | - |
| Total | 65.02 | 91.95 |

(c) Liquidity risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. The company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits. Processes and policies related to such risks are overseen by senior management. Management monitors the company's liquidity position through rolling forecasts on the basis of expected cash flows. The company assessed the concentration of risk with respect to its debt and concluded it to be very low.



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Notes forming part of the Financial Statements

(Amount in Rs. Lakhs, unless otherwise stated)

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date:

| Particulars | Carrying Value | Less than 1 year | 1 to 5 years |
|-------------------------------------|----------------|------------------|---------------|
| As at March 31, 2023 | | | |
| Trade payables | 372.11 | 239.32 | 132.79 |
| Other current financial liabilities | 48.39 | 48.39 | - |
| Total | 420.50 | 287.71 | 132.79 |

| Particulars | Carrying Value | Less than 1 year | 1 to 5 years |
|-------------------------------------|----------------|------------------|--------------|
| As at March 31, 2022 | | | |
| Trade payables | 330.46 | 330.46 | - |
| Other current financial liabilities | 18.00 | 18.00 | - |
| Total | 348.46 | 348.46 | - |

D) Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Disclosures of fair value measurement hierarchy for financial instruments are given below:

| Particulars | Carrying amount/Fair value | | | Carrying amount/Fair value | | |
|---------------------------------------|----------------------------|----------|---------------|----------------------------|----------|---------------|
| | As at March 31, 2023 | | | | | |
| | L-1 | L-2 | L-3 | L-1 | L-2 | L-3 |
| Financial assets | | | | | | |
| a) Measured at Amortised Cost | | | | | | |
| Current assets | | | | | | |
| - Trade receivables | - | - | 65.02 | - | - | 91.95 |
| - Cash and cash equivalents | - | - | 7.18 | - | - | 0.46 |
| Total | - | - | 72.20 | - | - | 92.41 |
| Financial liabilities | | | | | | |
| a) Measured at Amortised Cost | | | | | | |
| Current liabilities | | | | | | |
| - Trade payables | - | - | 372.11 | - | - | 330.46 |
| - Other current financial liabilities | - | - | 48.39 | - | - | 18.00 |
| Total | - | - | 420.50 | - | - | 348.46 |

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The management assessed that the carrying value of loans to employees and security deposits approximates the fair value presented.



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Notes forming part of the Financial Statements

(Amount in Rs. Lakhs, unless otherwise stated)

27 Employee benefits

(a) Defined Benefit plans:

Gratuity : Payable on separation as per the Payment of Gratuity Act, 1972 as amended @ 15 days pay, for each completed year of service to eligible employees who render continuous service of 5 years or more.

(b) Defined Contribution plan:

Company's employees are covered by Provident Fund and Employees State Insurance Scheme/Fund, to which the company makes a defined contribution measured as a fixed percentage of salary. During the period, amount of ₹9.99 lakhs(Previous Year: ₹ 14.53 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

| Particulars | For the year ended 31 March 2023 | For the Period from January 18, 2021 to March 31, 2022 |
|---|----------------------------------|--|
| Employer's contribution towards Provident Fund (PF) | 9.99 | 14.53 |

(c) Other disclosures of Defined Benefit plans as required under Ind AS-19 are as under

i. Reconciliation of the opening and closing balances of Defined Benefit Obligation:

| Particulars | Gratuity | Gratuity |
|---|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Present Value of Defined Benefit Obligation at the beginning of year | 32.92 | - |
| Interest cost | 2.47 | - |
| Current Service Cost | 3.55 | 32.92 |
| Past Service Cost | - | - |
| Benefit Paid | - | - |
| Actuarial (Gain) / Loss arising from Change in Demographic Assumptions | - | - |
| Actuarial (Gain) / Loss arising from Change in Financial Assumptions | (0.06) | - |
| Actuarial (Gain) / Loss arising from Changes in Experience Adjustments | (16.38) | - |
| Present value of the Defined Benefit Obligation at the end of Period | 22.50 | 32.92 |

ii. Net Defined Benefit recognized in the Statement of Profit and Loss.

| Particulars | Gratuity | Gratuity |
|---|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Current Service Cost | 3.55 | 32.92 |
| Past Service Cost | - | - |
| Interest cost | 2.47 | - |
| Interest income on plan asset | - | - |
| Other Costs | - | - |
| Net Defined Benefit recognized in Statement of Profit and Loss | 6.02 | 32.92 |

iii. Net asset / (liability) recognized in the Balance Sheet

| Particulars | Gratuity | Gratuity |
|--|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Present value of Defined Benefit obligation at the end of the period | 22.50 | 32.92 |
| Fair value of plan assets | - | - |
| Net Defined Benefit recognized in the Balance Sheet | (22.50) | (32.92) |

iv. Recognized in Other Comprehensive Income.

| Particulars | Gratuity | Gratuity |
|---|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Actuarial (Gain) / Loss arising from Change in Demographic Assumptions | - | - |
| Actuarial (Gain)/Loss on arising from Change in Financial Assumption | (0.06) | - |
| Actuarial (Gain)/Loss on arising from Changes in Experience Adjustments | (16.38) | - |
| Return on Plan Assets (Greater)/Less than Discount rate | - | - |
| Net actuarial Loss | (16.44) | - |



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Notes forming part of the Financial Statements

(Amount in Rs. Lakhs, unless otherwise stated)

v. Sensitivity Analysis*
a) Impact of the change in the discount rate

| Particulars | Gratuity | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Present value of the Defined Benefit Obligation at the end of Period | 22.50 | 32.92 |
| a) Impact due to increase of 1% (PY-NIL%) | (2.38) | (2.59) |
| b) Impact due to decrease of 1% (PY-NIL%) | 2.82 | 3.02 |

b) Impact of the change in the salary increase

| Particulars | Gratuity | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Present value of the Defined Benefit Obligation at the end of Period | 22.50 | 32.92 |
| a) Impact due to increase of 1% (PY-NIL%) | 2.72 | 2.93 |
| b) Impact due to decrease of 1% (PY-NIL%) | (2.33) | (2.55) |

*Sensitivities due to mortality & withdrawals are not material & hence impact of change not presented.

* Sensitivities as to rate of inflation, rate of increase of pension in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

vi. Maturity Profile.

| Particulars | Gratuity | |
|-----------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| 0 to 1 year | 1.04 | 1.60 |
| 1 to 2 Year | 0.98 | 1.51 |
| 2 to 3 Year | 0.93 | 1.43 |
| 3 to 4 Year | 0.88 | 1.36 |
| 4 to 5 Year | 0.84 | 10.31 |
| 6-10 Years | 4.81 | 4.37 |
| 10 Year onwards | 13.02 | 12.34 |

viii. Actuarial Assumptions:

Principal assumptions used for actuarial valuation are:

| Particulars | Gratuity | |
|--|------------------------------|------------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Method used | Projected unit credit method | Projected unit credit method |
| Discount rate | 7.52% | 7.50% |
| Salary Escalation | 7.00% | 7.00% |
| Mortality Rate | IALM (2012-14) | IALM (2012-14) |
| Withdrawal rate up to 30/44 and above 44 years | 5% | 5% |
| Rate of return on plan assets | 0.00% | 0.00% |



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Notes forming part of the Financial Statements

28. Ratio analysis and its clements

| Ratio | Numerator | Denominator | As at March 31, 2023 | For the Period from Date of Incorporation (18th Jan 21) to 31 March 2022 | % change | Reason for Variance |
|--|---|--|----------------------|--|----------|---|
| a) Current ratio (in times) | Total current assets | Total current liabilities | 0.28 | 0.39 | -28.6% | There is decrease in current assets and current liabilities is mainly due to decrease in operations significantly and trade payables have not been paid off which resulted in increase in current liabilities |
| b) Debt-equity ratio (in times) | Borrowings (current & non-current) | Total equity | NA | NA | NA | NA |
| c) Debt service coverage ratio (in times) | Earnings for debt service = Net profit after taxes + Depreciation & Amortisation Expenses | Debt service = Finance Cost + Current maturity of borrowings | NA | NA | NA | NA |
| d) Return on equity ratio (in %) | Net profits after taxes | Average total equity | (0.02) | 1.01 | -101.9% | Profit has increased during the current year due to actuarial gain in gratuity valuation |
| e) Inventory turnover ratio (in times) | Cost of goods sold | Average inventory | 10.76 | 89.39 | -88.0% | The ratios has been decreased during the year due to significant decrease in operations. |
| f) Trade receivables turnover ratio (in times) | Revenue from operations | Average trade receivable | 2.94 | 49.92 | -94.1% | The ratio has been decreased, due decrease in operations, sales has been decreased during the current year |
| g) Trade payables turnover ratio (in times) | Net Purchases | Average trade payables | 0.53 | 11.51 | -95.4% | The ratio has been decreased during the year due to significant decrease in operations. |
| h) Net capital turnover ratio (in times) | Revenue from operations | Working capital = Total current assets - Total current liabilities | (0.66) | (12.19) | -94.6% | Due decrease in operations, sales has been decreased and both current assets and current liabilities have decreased |
| i) Net profit ratio (in %) | Net profit after tax | Net sales = Total sales - sales return | 0.03 | (0.09) | -136.4% | Profit has increased due to increase in actuarial gains on account of gratuity and as there was loss during the prior period |
| j) Return on capital employed (in %) | Earnings before interest and taxes | Capital employed = Total equity + borrowings | 0.02 | 1.01 | -97.7% | The decrease in ratio is mainly due to decrease in revenue from operations |
| k) Return on investment | Interest (Finance Income) | Investment | NA | NA | NA | NA |



KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED

Notes forming part of the Financial Statements

- 29 The Company has accumulated losses of Rs. 386.47 lakhs as at March 31, 2023 and its net worth as at that date is Rs. 381.47 lakhs (negative) and its current liabilities exceed current assets. Further Kurlon Enterprise Limited(Holding Company) would support in the operations of the Company whenever required as considering the synergies and business nature, it would provide the desired requirements to ensure smooth conduct of business by the Company. Accordingly, the financial statements have been prepared on a going concern basis.
- 30 **Other Statutory Information**
- i The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies ('ROC') beyond the statutory period.
- iii The Company has not been declared as willful defaulter by any bank or financial institutions or other lenders.
- iv The Company does not own any immovable property and as such, there exists no circumstance, where the title deeds of immovable properties of the Company are held in the name of a person, other than the Company.
- v The Company have not traded or invested in Crypto currency or Virtual Currency during the financial period.
- vi The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vii The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- viii The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- ix The Company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
- x The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received the Indian Parliament and Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

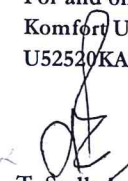
As per our report of even date attached
For ASA & Associates LLP
Chartered Accountants
Firm Registration No.009571N/500006


Vinay K S
Partner
Membership No. 223085

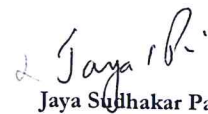


Place: Bengaluru
Date: 25.07.2023

For and on behalf of the Board
Komfort Universe Products And Services Limited
U52520KA2021PLC143244


T. Sudhakar Pai
Director
DIN- 00043298

Place: Bengaluru
Date: 25.07.2023


Jaya Sudhakar Pai
Director
DIN- 00030515

Place: Bengaluru
Date: 25.07.2023

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)

Balance sheet as at 31st March 2023

(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

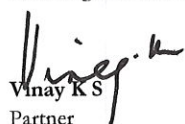
| Particulars | Note No. | As at March 31, 2023 | As at March 31, 2022 |
|---|----------|----------------------|----------------------|
| I. ASSETS | | | |
| A. Non current assets | | | |
| a) i) Property Plant & Equipment | 3(a) | 39.35 | 32.25 |
| ii) Right Use Asset | 3(b) | 2,624.07 | - |
| iii) Capital Work In Progress | 4 | - | 16.90 |
| b) Deferred Tax Assets (net) | 5 | 27.55 | 68.21 |
| c) Financial Assets | | | |
| i) Other Financial assets | 6 | 247.74 | 311.30 |
| d) Other non current assets | 7 | 868.11 | 491.08 |
| | | 3,806.82 | 919.74 |
| B. Current assets | | | |
| a) Financial assets | | | |
| i) Trade receivables | 8 | 856.22 | 1,268.63 |
| ii) Cash and cash equivalents | 9 | 46.10 | 334.45 |
| b) Other current assets | 10 | 71.77 | 122.11 |
| Total current assets | | 974.09 | 1,725.19 |
| TOTAL ASSETS | | 4,780.91 | 2,644.93 |
| II. EQUITY AND LIABILITIES | | | |
| A. EQUITY | | | |
| a) Equity Share Capital | 11 | 0.50 | 0.50 |
| b) Other Equity | 12 | 787.69 | 544.74 |
| Total Equity | | 788.19 | 545.24 |
| B. LIABILITIES | | | |
| Non Current Liabilities | | | |
| a) Financial Liabilities | | | |
| i) Lease Liability | 3(b) | 2,040.96 | - |
| b) Long term Provisions | 13 | 70.43 | 16.05 |
| | | 2,111.39 | 16.05 |
| 1. Current Liabilities | | | |
| a) Financial Liabilities | | | |
| i) Short Term Borrowings | 14 | 2.16 | 3.83 |
| ii) Lease Liability | 3(b) | 644.58 | - |
| iii) Trade Payables | | | |
| - total outstanding dues of micro and small enterprises and | | | |
| - total outstanding dues of creditors other than micro | 15 | - | - |
| enterprises and small enterprises | | 537.28 | 1,271.99 |
| d) Other financial liabilities | 16 | 14.73 | 11.50 |
| b) Other current liabilities | 17 | 501.05 | 550.86 |
| c) Short term provisions | 18 | 181.53 | 245.46 |
| | | 1,881.33 | 2,083.64 |
| TOTAL EQUITY AND LIABILITIES | | 4,780.91 | 2,644.93 |

Summary of Significant Accounting Policies

The Accompanying notes form an integral part of the financial statements

As per our report of even date
for ASA & Associates LLP

Chartered Accountants
Firm Registration No. 009571N/N500006

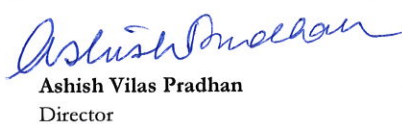

Vinay K S
Partner

Membership Number : 223085

Place: Bangalore

Date: 28/07/2023

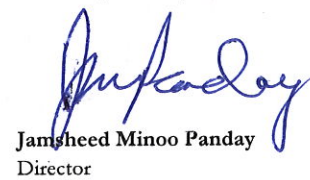
For and on behalf of Board of Directors of
Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship
Manufacturing and Services Private Limited)


Ashish Vilas Pradhan
Director

DIN: 08630024

Place: Bangalore

Date: 28/07/2023


Jamsheed Minoo Panday
Director

DIN: 00232768

Place: Bangalore

Date: 28/07/2023

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)

Statement of profit and loss for the year ended 31st march 2023

(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

| Particulars | Note No. | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|----------|-----------------------------------|-----------------------------------|
| Income | | | |
| Revenue from contract with Customers | 19 | 10,530.86 | 9,513.75 |
| Other Operating Income | 20 | 14.47 | 0.60 |
| Total income | | 10,545.33 | 9,514.35 |
| Expenses | | | |
| Freight, handling and servicing cost | 21 | 6,841.89 | 7,009.30 |
| Employee Cost | 22 | 1,388.80 | 1,185.02 |
| Finance Cost | 23 | 189.91 | - |
| Depreciation | 24 | 609.26 | 5.01 |
| Other Expenses | 25 | 1,056.30 | 1,003.35 |
| Total Expenses | | 10,086.16 | 9,202.68 |
| Profit/(Loss) before tax | | 459.17 | 311.67 |
| Tax Expense | | | |
| Current Tax | 26 | 176.38 | 86.41 |
| Deferred Tax | | 40.43 | (68.21) |
| | | 216.81 | 18.20 |
| Profit/(Loss) for the year | | 242.36 | 293.47 |
| Other comprehensive income | | | |
| (i) Items that will not be reclassified subsequently to profit or loss | | 0.82 | - |
| (ii) Income tax relating to items that will not be reclassified subsequently to profit or loss | | -0.23 | - |
| (iii) Items that will be reclassified subsequently to profit or loss | | - | - |
| (iv) Income tax relating to items that will be reclassified subsequently to profit or loss | | - | - |
| Total other comprehensive income | | 0.59 | - |
| Total Comprehensive Income/ (loss) for the year | | 242.95 | 293.47 |
| Earnings per equity share: | | | |
| Basic | | 4,859.01 | 5,869.34 |
| Diluted | | 4,859.01 | 5,869.34 |

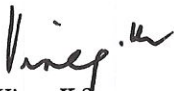
Summary of Significant Accounting Policies

The Accompanying notes form an integral part of the financial statements

As per our report of even date
For ASA & Associates LLP

Chartered Accountants

Firm Registration No. 009571N/N500006


Vinay K S

Partner

Membership Number : 223085

Place: Bangalore
Date: 28/07/2023

for and on behalf of the Board of Directors of
Starship Value Chain & Manufacturing Private Limited
(Formerly known as Starship Manufacturing and Services Private Limited)



Ashish Vilas Pradhan
Director
DIN: 08630024

Place: Bangalore
Date: 28/07/2023



Jamsheed Minoos Panday
Director
DIN: 00232768

Place: Bangalore
Date: 28/07/2023

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
Cash Flow Statement for the year ended 31 March 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)


| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|-----------------------------------|-----------------------------------|
| A Cash flow from operating activities | | |
| Net profit before tax | 459.99 | 311.67 |
| Adjustments for: | | |
| Depreciation | 609.26 | 5.01 |
| Interest income | 0.59 | - |
| Operating profit before working capital changes | 1,069.84 | 316.68 |
| Adjustments for: | | |
| Decrease/(increase) in Trade Receivables | 412.41 | -839.18 |
| Decrease/(increase) in other current assets | 50.34 | -120.71 |
| Decrease/(increase) in other non current assets and others | -313.47 | -526.22 |
| Increase/(decrease) in Trade Payables | -734.71 | 1,063.94 |
| Increase/(decrease) in other current liabilities | -49.82 | -107.71 |
| Increase/(decrease) in provisions | -63.93 | 121.47 |
| Increase/(decrease) in other financial liabilities | 3.23 | - |
| Increase in Right to Use Asset | -3,233.33 | - |
| Increase in Lease Liability | 2,685.55 | - |
| Increase in Long Term Provisions | 54.38 | - |
| Cash generated from operations | -119.51 | -91.73 |
| Income tax paid/(To be paid) | 176.38 | 18.20 |
| Net cash flow from operating activities | -295.89 | -109.93 |
| B Cash flow from investing activities | | |
| Proceeds from/(Purchase) of Property, Plant and Equipment including CWIP | 9.80 | -48.06 |
| Interest Income | -0.59 | - |
| Net cash used in Investing activities | 9.21 | -48.06 |
| C Cash flow from financing activities | | |
| Proceeds/(Repayment) of Short Term Borrowings | -1.67 | 3.66 |
| Deposits with bank | - | 5.98 |
| Net cash used in financing activities | -1.67 | 9.64 |
| Net increase in cash & cash equivalents | -288.35 | -148.35 |
| Cash and cash equivalents at the beginning of the year | 334.45 | 482.80 |
| Cash and cash equivalents at the end of the year | 46.10 | 334.45 |

Summary of Significant Accounting Policies

As per our report of even date

for ASA & Associates LLP


Chartered Accountants



Vinay K S
Partner
Membership Number : 223085

Place: Bangalore
Date: 28/07/2023

For and on behalf of Board of Directors of

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)


Ashish Vilas Pradhan
Director
DIN: 08630024


Jansheed Minoo Panday
Director
DIN: 00232768

Place: Bangalore
Date: 28/07/2023

Place: Bangalore
Date: 28/07/2023

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
Statement of Changes in Equity for the year ended 31 March 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

a. Equity Share Capital

| Particulars | Amount |
|--|--------|
| As at 1st April, 2021 | 0.50 |
| Changes in equity share capital during the year due to prior period errors | - |
| Restated balance as at 31st March 2022 | 0.50 |
| Changes in equity share capital during the year | - |
| As at 31st March, 2023 | 0.50 |

b. Other Equity

| Particulars | Reserves and Surplus | | | Total |
|---|----------------------|-----------------|-------------------|--------|
| | Securities Premium | Capital Reserve | Retained Earnings | |
| As at 1st April, 2021 | - | - | 251.27 | 251.27 |
| Profit for the year | - | - | 293.47 | 293.47 |
| Other Comprehensive Income for the year | - | - | - | - |
| Balance as at March 31, 2022 | - | - | 544.74 | 544.74 |
| Profit for the year | - | - | 242.95 | 242.95 |
| Other Comprehensive Income for the year | - | - | - | - |
| Balance as at March 31, 2023 | - | - | 787.69 | 787.69 |

As per our report of even date

For ASA & Associates LLP

Chartered Accountants
 Firm Registration No. 009571N/N500006


Vinay K S

Partner

Membership Number : 223085

Place: Bangalore
 Date: 28/07/2023

For and on behalf of Board of Directors of

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)



Ashish Vilas Pradhan

Director

DIN: 08630024

Place: Bangalore
 Date: 28/07/2023



Jamsheed Minoo Panday

Director

DIN: 00232768

Place: Bangalore
 Date: 28/07/2023

Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
Notes to the financial statements as of and for the year ended March 31, 2023

1. CORPORATE INFORMATION

Starship Value chain and Manufacturing Private Limited was incorporated in Karnataka on 09.10.2020. The Company is a wholly owned subsidiary company of Kurlon Enterprise Limited and is engaged in the business as a manufacturer, designers, buyers, sellers, importers, exporters, workers, transporters, suppliers of all types of home comfort products, home decor items including furniture, mattresses, pillows, cushions, perfumers on retail and to manufacture of all types of furniture equipment appliances for domestic, office, industrial as well as on wholesale basis in India as well as outside India.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Application of Indian Accounting Standards

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the Financial Statements are authorised have been considered in preparing these Financial Statements. There is no other Indian Accounting Standard that has been issued as of that date, but not mandatorily effective.

B. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with the provisions of Companies Act 2013 ("the Act") and Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, issued by the Ministry of Corporate Affairs in exercise of powers conferred by section 133 of the Act.

C. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared on an accrual basis and under the historical cost convention basis. The accounts of the company have been prepared on a going concern basis.

Ministry of Corporate Affairs ("MCA") through a notification dated March 24, 2021, amended Division II of Schedule III of the Companies Act, 2013 and applicable for the reporting period beginning on or after April 1, 2021. The amendment encompasses certain additional disclosure requirements. The Company has applied and incorporated the requirements of amended Division II of Schedule III of the Companies Act, 2013, to the extent applicable on it while preparing these financial statements.

The operating cycle in the normal course has been identified to have a duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS – 1 "Presentation of Financial Statements" and Schedule – III to the Companies Act, 2013.

The Balance sheet, the Statement of Profit and Loss and the statements of Changes in Equity are prepared in the format prescribed in Schedule III to the Act. The Cash Flow Statement has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the Ind AS.

The Financial Statements are presented in Indian Rupees and all values are rounded off to two decimal lakh except as otherwise stated.

D. USE OF ESTIMATES

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense prospectively.



Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
Notes to the financial statements as of and for the year ended March 31, 2023

E. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at costs less accumulated depreciation (other than freehold land) and impairment loss, if any.

The cost includes purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Lease rentals and premium for lease hold are amortized over the primary lease period.

Depreciation is provided for property, plant and equipment on the straight-line method over the estimated useful life from the date the assets are ready for intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss

Capital work in progress

Amount paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.

The capital work- in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

II Assets which are depreciated over useful life/residual value indicated by Schedule II are as follows:

| Asset Class | Life as per Schedule II |
|-----------------------------------|-------------------------|
| Office Equipment's | 05 years |
| Furniture & Fixtures | 10 years |
| Computers & data processing units | 03 years |

Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

F INTANGIBLE ASSETS

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Intangible assets are amortized on a straight line basis over their estimated useful lives from the date that they are available for use.

The estimated useful lives of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss arising from Derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised/disposed

G Investments & financial assets

i) Classification

The Company classifies its financial assets in the following measurement categories :-

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows.

ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at 'fair value through profit or loss' are expensed in profit or loss.



Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)

Notes to the financial statements as of and for the year ended March 31, 2023

Financial assets carried at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income:

A financial asset is subsequently measured at fair value through other comprehensive income (FVOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through profit or loss:

Assets that do not meet the criteria for amortised cost, are measured at fair value through profit or loss e.g. investments in mutual funds. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

iii) Derecognition of financial assets

A financial asset is derecognised only when Company has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

H. REVENUE RECOGNITION

The Company recognises revenue from contracts with customers based on a five step model as set out in IndAS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer that are distinct.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

Company recognises revenue at a point in time when it satisfies a performance obligation by transferring promised goods to a customer. An asset is transferred when the customer obtains control of the same.

When the company satisfies a performance obligation by delivering the promised service it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Other Income

Other Income shall be required when company satisfies the respective performance obligation.

Interest Income

Interest income from Financial assets (Rent deposits) is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial asset but does not consider the expected credit losses.

I. TAXATION

Current tax is determined based on the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognized on timing differences: being the difference between the taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets and liabilities are recognised at the rate that have been enacted or substantively enacted by the Balance sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognized only to the extent that there is reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



J PROVISIONS AND CONTINGENT LIABILITIES

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

K EARNINGS PER SHARE (EPS)

Basic earnings per share amounts are computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

L Retirement Benefits- Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plans. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The entity determines the defined benefit liability/asset annually by referring the same for valuation by a qualified actuary. The qualified actuary valued the defined benefit obligation by using the projected unit credit method. The amounts recognised in the financial statements are based on such actuarial valuation. Such determination of defined benefit obligations takes into account any practices of constructive obligations. The obligations (in respect of each material plan) are recognised in the financial statements

In Statement of Profit & Loss

- (i) Current service cost
- (ii) Any past service cost and gain or loss on settlement
- (iii) Net interest on net defined benefit liability

In Other comprehensive income

- (i) Actuarial gains and losses
- (ii) Return on plan assets, excluding amounts included in net interest on the net defined benefit liability
- (iii) Any change in the effect of asset ceiling

In the Balance sheet, the net defined benefit/asset is separately recognised and in respect of surplus in a defined plan, the net defined asset is measured at lower of

- a) Surplus in the defined benefit plan and
- b) The asset ceiling

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Corporation recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Long-term employee benefits

The Other long-term benefits that arise consequent to employment contracts are recognised in Statement of Profit & Loss as

- (i) Service cost
- (ii) Net interest on net defined benefit liability
- (iii) Re-measurements of the net defined benefit liability

Long term paid absences and other long-term employee benefits are provided for on the basis of an actuarial valuation, using projected unit credit method, as at each balance sheet date.

M CASH AND CASH EQUIVALENTS

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

N CASH FLOW STATEMENT

The entity reports the cash flow from

- a) operating activities using indirect method by adjusting the profit or loss for the effects of transactions of non-cash nature, deferrals or accruals of past or future cash receipts or payments and item of income or expense associated with investing or financing cash flows.
- b) From investing and financing activities by reporting separately the major cash receipts and cash payments that arises from investing and financing activities except to the extent permitted to be reported on net basis by IND AS -7.



Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
Notes to the financial statements as of and for the year ended March 31, 2023

O Leases

The lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- (1) the contract involves the use of an identified asset;
- (2) the company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (3) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

P. Impact Assessment on Ind AS amendments applicable for FY 2023-24:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.



Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
Notes to the financial statements as of and for the year ended March 31, 2023

3(a). Property , Plant and Equipment

| Particulars | Equipments | Furniture & Fixtures | Computers & Softwares | Total |
|----------------------------------|--------------|----------------------|-----------------------|--------------|
| As on 1st April 2021 | 1.10 | - | 3.66 | 4.76 |
| Additions | 24.97 | 6.06 | 2.28 | 33.31 |
| Disposals/ adjustments | - | - | - | - |
| At 31 March 2022 | 26.07 | 6.06 | 5.94 | 38.07 |
| As on 1st April 2022 | 26.07 | 6.06 | 5.94 | 38.07 |
| Additions | 3.16 | - | 12.60 | 15.76 |
| Disposals/ adjustments | - | - | - | - |
| At 31 Mar 2023 | 29.23 | 6.06 | 18.54 | 53.83 |
| Accumulated Depreciation: | | | | |
| As on 1st April 2021 | 0.08 | - | 0.73 | 0.81 |
| Depreciation expense | 2.75 | 0.36 | 1.91 | 5.01 |
| Disposals/ adjustments | - | - | - | - |
| At 31 March 2022 | 2.83 | 0.36 | 2.64 | 5.82 |
| As on 1st April 2022 | 2.83 | 0.36 | 2.64 | 5.83 |
| Depreciation expense | 5.47 | 0.57 | 2.61 | 8.65 |
| Disposals/ adjustments | - | - | - | - |
| At 31 Mar 2023 | 8.30 | 0.93 | 5.25 | 14.48 |
| Net carrying value: | | | | |
| At 31 March 2023 | 20.93 | 5.13 | 13.29 | 39.35 |
| At 31 March 2022 | 23.24 | 5.70 | 3.30 | 32.25 |



3(b) Right on Use of Assets

| Particulars | Leasehold Building | Total |
|----------------------------------|--------------------|-----------------|
| Gross block: | | |
| As on 1st April 2021 | - | - |
| Additions | - | - |
| Disposals/ adjustments | - | - |
| As on 31st Mar 2022 | - | - |
| As on 1st April 2022 | - | - |
| Additions | 3,224.68 | 3,224.68 |
| Disposals/ adjustments | - | - |
| As on 31st March 2023 | - | - |
| | 3,224.68 | 3,224.68 |
| Accumulated Depreciation: | | |
| As on 1st April 2021 | - | - |
| Depreciation expense | - | - |
| Disposals/ adjustments | - | - |
| As on 31st Mar 2022 | - | - |
| As on 1st April 2022 | - | - |
| Depreciation expense | - | - |
| Additions | 600.61 | 600.61 |
| Disposals/ adjustments | - | - |
| As on 31st March 2023 | - | - |
| | 600.61 | 600.61 |
| Net carrying value: | | |
| As on 31st March 2023 | 2,624.07 | 2,624.07 |
| At 31 March 2022 | - | - |

ii) The following is the movement in lease liabilities during the period ended 31 March 2023:

| Particulars | Leasehold Building | Total |
|--|--------------------|----------|
| Balance as at 01 April 2021 | - | - |
| Additions | - | - |
| Finance cost accrued during the period | - | - |
| Deletions | - | - |
| Payments | - | - |
| Balance as at 31 March 2022 | - | - |
| Balance as at 01 April 2022 | - | - |
| Additions | 3148.18 | 3148.18 |
| Finance cost accrued during the period | 189.91 | 189.91 |
| Deletions | - | - |
| Payments | 652.55 | 652.55 |
| Balance as at 31st March 2023 | 2,685.54 | 2,685.54 |

iii) The following is the break-up of current and non-current lease liabilities:

| Particulars | As at 31 March 23 | As at 31 March 22 |
|-------------------------------|----------------------|----------------------|
| Current lease liabilities | 644.58 | - |
| Non-current lease liabilities | 2040.96 | - |
| Total | 2685.54 | - |

The company has recognised the following expenses in the statement of profit and loss:

| Particulars | Year ended March 31, 2023 |
|---|---------------------------|
| Interest expenses on lease liabilities | 189.91 |
| Rent expenses recognised under the head rent pertaining to: | |
| Leases with less than twelve months of lease term | 329.46 |

Payment towards leases with less than twelve months of lease term is disclosed under operating activities in the statement of cash flows. All other lease payments are disclosed under financing activities in the statement of cash flows.



Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
Notes to the financial statements as of and for the year ended March 31, 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

4 Capital Work in Progress

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------------------|--------------------------|
| Opening balance | 16.90 | 2.15 |
| Add: Additions during the year | - | 14.75 |
| Less: Transferred to Assets and expensed | 16.90 | - |
| Closing balance | - | 16.90 |

Capital Work in Progress aging schedule

As at 31st March 2023

| CWIP | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|----------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |
| Total | - | - | - | - | - |

As at 31st March 2022

| CWIP | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|--------------|-----------|-------------------|--------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | - | 16.90 | - | - | 16.90 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | - | 16.90 | - | - | 16.90 |

5 Deferred Tax Assets (Net)

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---|--------------------------|--------------------------|
| Deferred tax asset | | |
| Fixed assets : Impact of difference between tax depreciation and depreciation charged for the financial reporting | -10.95 | - |
| Provision for gratuity | 9.27 | 4.18 |
| Provision for leave encashment | 11.75 | 4.95 |
| Lease Liability | 17.10 | - |
| Disallowance under Sec 40a(a) | 0.38 | 59.08 |
| Net deferred tax (asset)/liability | 27.55 | 68.21 |
| Deferred tax charge/(credit) for the year | 40.66 | (68.21) |

6 Other Financial assets

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---|--------------------------|--------------------------|
| Security Deposits | 236.17 | 311.30 |
| Bank balances with more than 12 months maturity | 11.57 | - |
| Total | 247.74 | 311.30 |

7 Other Non current Assets

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|----------------------------------|--------------------------|--------------------------|
| Unsecured considered good | | |
| Advance Tax and TDS | 868.11 | 491.08 |
| Total | 868.11 | 491.08 |

8 Trade receivables

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|-----------------------------------|--------------------------|--------------------------|
| Unsecured, considered good | | |
| Considered good - unsecured | 856.22 | 1,268.63 |
| Total | 856.22 | 1,268.63 |



Trade receivables Ageing Schedule

As at 31 March 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|--------------------|-------------------|-----------|-----------|-------------------|---------------|
| | Not due | Less than 6 months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables – considered good | 798.60 | 30.58 | 1.05 | - | - | - | 830.23 |
| Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - | - |
| Disputed Trade receivable – considered good | - | - | - | - | - | - | - |
| Disputed Trade receivable – considered doubtful | - | - | - | - | - | - | - |
| Unbilled dues | 25.99 | - | - | - | - | - | 25.99 |
| Total | 824.59 | 30.58 | 1.05 | - | - | - | 856.22 |

As at 31 March 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|--------------------|-------------------|-----------|-----------|-------------------|-----------------|
| | Not due | Less than 6 months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables – considered good | - | 1,268.63 | - | - | - | - | 1,268.63 |
| Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - | - |
| Disputed Trade receivable – considered good | - | - | - | - | - | - | - |
| Disputed Trade receivable – considered doubtful | - | - | - | - | - | - | - |
| Unbilled dues | - | - | - | - | - | - | - |
| Total | - | 1,268.63 | - | - | - | - | 1,268.63 |

9 Cash and cash equivalents

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------------------|--------------------------|--------------------------|
| Cash In Hand | - | 0.50 |
| Balances with Banks | | |
| In current accounts | 46.10 | 327.97 |
| Deposits with Bank | - | 5.98 |
| Total | 46.10 | 334.45 |

10 Other current assets

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|-------------------------------------|--------------------------|--------------------------|
| Advances paid to vendors | 47.92 | 11.15 |
| Advances to Staff | 4.43 | 12.97 |
| Balance with government authorities | - | 85.64 |
| Prepaid expenses | 14.16 | 12.35 |
| Advances to be received from vendor | 5.26 | - |
| Total | 71.77 | 122.11 |



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Notes to the financial statements as of and for the year ended March 31, 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

11 Equity Share Capital

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---|--------------------------|--------------------------|
| Authorised Share Capital | | |
| 5,000 (31st March 2022: 5,000) Equity Shares of Rs. 10/- each | 0.50 | 0.50 |
| Issued, Subscribed and fully paid up | | |
| 500,000 (31st March 2022: 5,000) Equity Shares of Rs. 10/- each | 0.50 | 0.50 |
| Total | 0.50 | 0.50 |

a) Reconciliation of No. of shares - Equity Shares

| Particulars | 31st March 2023 | | 31st March 2022 | |
|--|-----------------|-------------|-----------------|-------------|
| | No. of Shares | Amount (Rs) | No. of Shares | Amount (Rs) |
| Balance as at the beginning of the year | 5,000.00 | 0.50 | - | - |
| Add: Shares Issued during the year | - | - | 5,000.00 | 0.50 |
| Less: Shares bought back during the year | - | - | - | - |
| Balance as at the end of the year | 5,000.00 | 0.50 | 5,000.00 | 0.50 |

b) Rights, preferences, and restriction attached to shares.

The company has only one class of equity shares having par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting except, in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining asset of the company after distribution of all preferential amount, in the proportion of their shareholding.

c) Details of Shares held by the Holding Company:

| Particulars | 31st March 2023 | | 31st March 2022 | |
|------------------------|-----------------|--------------|-----------------|--------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Kurlon Enterprise Ltd. | 4,990.00 | 99.80% | 4,990.00 | 99.80% |

d) Shareholders holding more than 5% of total paid up capital

| Particulars | 31st March 2023 | | 31st March 2022 | |
|------------------------|-----------------|--------------|-----------------|--------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Kurlon Enterprise Ltd. | 4,990.00 | 99.80% | 4,990.00 | 99.80% |

e) Shares held by promoters

| Promoter Name | As at 31st March 2023 | | | As at 31st March 2022 | | |
|-----------------------------|-----------------------|-------------------|--------------------------|-----------------------|-------------------|--------------------------|
| | No. of shares | % of total shares | % change during the year | No. of shares | % of total shares | % change during the year |
| Equity Share capital | | | | | | |
| Kurlon Enterprise Ltd. | 4,990.00 | 99.8% | No change | 4,990.00 | 99.8% | No Change |

12 Other Equity

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------------------|--------------------------|
| Retained Earnings | | |
| Opening balance | 544.74 | 251.27 |
| Add : Net Profit/(Net Loss) for the year | 242.95 | 293.47 |
| Closing Balance | 787.69 | 544.74 |
| Total | 787.69 | 544.74 |



Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services Private Limited)
Notes to the financial statements as of and for the year ended March 31, 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

13 Long Term Provision

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------------------|--------------------------|
| Provision for Employee Benefits | | |
| Provision for Gratuity | 33.27 | 16.05 |
| Provision for Leave Encashment | 37.16 | - |
| Closing Balance | 70.43 | 16.05 |

14 Short Term Borrowings

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|--------------------------------------|--------------------------|--------------------------|
| Loans & advances -Secured | | |
| Axis Bank Credit Card * | 2.16 | 3.83 |
| Closing Balance | 2.16 | 3.83 |

15 Trade Payables

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------------------|--------------------------|
| - total outstanding dues of micro enterprises and small enterprises; and | - | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 537.28 | 1,271.99 |
| Total | 537.28 | 1,271.99 |

Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to dues to Micro, Small and Medium enterprises. Based on the information available with the Company and based on the confirmations circulated and responses received by the management, there are no parties who have been identified as micro, small and medium enterprises.

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year. | - | - |
| b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |
| c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and | - | - |
| e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

Note: This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company.



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Notes to the financial statements as of and for the year ended March 31, 2023
(All the amounts are in Indian rupees lakhs, unless and otherwise stated)

Trade Payables Ageing Schedule
As at March 31, 2023

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | |
|-----------------------------|--------------|--|----------|----------|------------------|---------------|
| | | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | Total |
| (i) MSME | - | - | - | - | - | - |
| (ii) Others | 93.82 | 443.46 | - | - | - | 537.28 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - |
| (v) Unbilled dues | - | - | - | - | - | - |
| Total | 93.82 | 443.46 | - | - | - | 537.28 |

As at March 31, 2022

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | |
|-----------------------------|-----------------|--|----------|----------|------------------|-----------------|
| | | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | Total |
| (i) MSME | - | - | - | - | - | - |
| (ii) Others | 1,271.99 | - | - | - | - | 1,271.99 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - |
| (v) Unbilled dues | - | - | - | - | - | - |
| Total | 1,271.99 | - | - | - | - | 1,271.99 |

16 Other Financial Liabilities

| Particulars | As at | |
|----------------|-----------------|-----------------|
| | 31st March 2023 | 31st March 2022 |
| Salary Payable | 14.73 | 11.50 |
| Total | 14.73 | 11.50 |

17 Other Current Liabilities

| Particulars | As at | |
|--|-----------------|-----------------|
| | 31st March 2023 | 31st March 2022 |
| Statutory Dues | 182.82 | 266.64 |
| Security Deposit received-From Vendors | 37.23 | 2.75 |
| Purchase Consideration Payable | 1.00 | 1.00 |
| Advance received other than capital advances | 280.00 | 280.47 |
| Total | 501.05 | 550.86 |

18 Short Term Provisions

| Particulars | As at | |
|---|-----------------|-----------------|
| | 31st March 2023 | 31st March 2022 |
| Provision for Employee Benefits | | |
| Provision for Gratuity | 0.07 | 0.03 |
| Provision for Leave Encashment | 5.07 | 19.02 |
| Provision for Income Tax (Net of advance tax) | 176.38 | 226.41 |
| Total | 181.53 | 245.46 |

19 Revenue from operations

| Particulars | Year ended | |
|-----------------------------------|------------------|-----------------|
| | 31st March 2023 | 31st March 2022 |
| a) Sale of Services | | |
| Primary Transport | 3,906.60 | 3,076.54 |
| Secondary Transportation Services | 2,668.75 | 2,581.62 |
| Administrative Services | 2,383.36 | 1,926.41 |
| Warehousing Services | 979.12 | 999.80 |
| Transportation Services | 65.18 | 12.43 |
| Management Charges | 524.90 | 850.47 |
| b) Other Operating Income | | |
| Scrap Sale | 2.95 | 0.29 |
| Reimbursement of Expenses | - | 66.19 |
| Total | 10,530.86 | 9,513.75 |



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20 Other Income

| Particulars | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|-------------------------------|-------------------------------|
| Misc. Income | 1.16 | 0.22 |
| Interest Income- On Fixed Deposit | 0.59 | 0.30 |
| Interest Income- On Security Deposit - Leases | 12.72 | - |
| Balance written off | - | 0.08 |
| Total | 14.47 | 0.60 |

21 Freight & Warehousing Expenses

| Particulars | Year ended 31st March 2023 | Year ended 31st March 2022 |
|----------------------------------|-------------------------------|-------------------------------|
| Freight Primary Transportation | 3,886.99 | 3,211.47 |
| Freight Secondary Transportation | 2,531.24 | 2,739.39 |
| Fuel, Toll & Fastag Charges | 94.20 | 21.90 |
| Real Estate Rent & Brokerage | 329.46 | 1,020.46 |
| Others | - | 16.08 |
| Total | 6,841.89 | 7,009.30 |

22 Employee Benefits Expense

| Particulars | Year ended 31st March 2023 | Year ended 31st March 2022 |
|--------------------------------|-------------------------------|-------------------------------|
| Salaries and wages | 1,272.47 | 1,110.31 |
| Contribution to Provident fund | 67.78 | 46.42 |
| Staff welfare expenses | 48.55 | 28.29 |
| Total | 1,388.80 | 1,185.02 |

23 Finance Cost

| Particulars | Year ended 31st March 2023 | Year ended 31st March 2022 |
|-----------------------------|-------------------------------|-------------------------------|
| Interest on Lease Liability | 189.91 | - |
| Total | 189.91 | - |

24 Depreciation & Amortisation Expenses

| Particulars | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|-------------------------------|-------------------------------|
| Depreciation of property, plant and equipment | 8.65 | 5.01 |
| Depreciation of Right-of-use assets | 600.61 | - |
| Total | 609.26 | 5.01 |



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25 Other Expenses

| Particulars | Year ended 31st March 2023 | Year ended 31st March 2022 |
|------------------------------------|-------------------------------|-------------------------------|
| Payment to Auditors | 4.30 | 6.00 |
| Manpower Charges | 574.89 | 519.21 |
| Repair & Maintenance Expenses | 69.51 | 64.39 |
| Internet Charges | 58.20 | 63.18 |
| Electricity Charges | 33.33 | 21.76 |
| Office Expenses | 57.85 | 132.11 |
| Postage & Courier | 3.32 | 4.16 |
| Professional Fees | 48.35 | 42.41 |
| Travelling Expenses | 97.15 | 101.86 |
| Incentive | 0.33 | - |
| Printing & Stationery | 0.78 | - |
| Rates and Taxes | 5.56 | 2.33 |
| Software Maintenance | 55.84 | 22.80 |
| Insurance | 39.21 | - |
| After Sale Services | - | 7.39 |
| Advertising & Promotional Expenses | 3.55 | 10.04 |
| Bank charges | 0.06 | 0.02 |
| Miscellaneous Expenses | 4.07 | 5.69 |
| Total | 1,056.30 | 1,003.35 |

| Payment to auditor comprises | Year ended 31st March 2022 | Year ended 31st March 2021 |
|------------------------------|-------------------------------|-------------------------------|
| As an auditor | 2.50 | 6.00 |
| Taxation matters | 1.80 | - |
| Total | 4.30 | 6.00 |



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26. Tax expense

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| A. Amounts recognised in statement of profit and loss | | |
| Current tax (a) | | |
| Current year | 176.38 | 86.41 |
| Earlier Year | - | - |
| Deferred tax (b) | | |
| Attributable to - | | |
| Origination and reversal of temporary differences | 40.43 | (68.21) |
| Income tax expense reported in the statement of profit or loss (a+b) | 216.81 | 18.20 |
| Amounts recognised in other comprehensive income | | |
| Deferred taxes | | |
| Remeasurements of the defined benefit plans | (0.23) | - |
| Income tax reported in other comprehensive income | (0.23) | - |
| B. Bifurcation of the income tax recognised in other comprehensive income into | | |
| Items that will not be reclassified to profit or loss | (0.23) | - |
| Items that will be reclassified to profit or loss | - | - |
| | (0.23) | - |

C. Reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

| Particulars | For the year ended March 31, 2023 | As at March 31, 2022 |
|---------------------------|--------------------------------------|-------------------------|
| Profit before tax | 459.17 | 311.67 |
| Effective tax rate | 27.82% | 27.82% |
| | 127.74 | 86.71 |
| Effect of: | | |
| Non-deductible expenses | (0.38) | - |
| Others | 89.45 | 68.51 |
| Income tax expense | 216.81 | 18.20 |

D. Movement in temporary differences

| Particulars | Balance as at 1st April 2022 Net deferred tax asset/(liabilities) | Recognised in profit or loss during 2022-23 | Recognised in OCI during 2022-23 | Balance as at 31 March 2023 Net deferred tax asset/(liabilities) |
|---|--|--|-------------------------------------|---|
| Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act. | - | 10.95 | - | 10.95 |
| Provision for employee benefits | (9.13) | (11.67) | (0.23) | (21.02) |
| Right of use assets, net of lease liabilities (Ind AS 116) | - | (17.10) | - | (17.10) |
| Disallowance under 40(a)(i) | (59.08) | 58.71 | - | (0.38) |
| Total | (68.21) | 40.89 | (0.23) | (27.55) |

| Particulars | Balance as at 1 April 2021 Net deferred tax asset/(liabilities) | Recognised in profit or loss during 2021-22 | Recognised in OCI during 2021-22 | Balance as at 31 March 2022 Net deferred tax asset/(liabilities) |
|---|--|--|-------------------------------------|---|
| Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act. | - | - | - | - |
| Provision for employee benefits | - | (9.13) | - | (9.13) |
| Right of use assets, net of lease liabilities (Ind AS 116) | - | - | - | - |
| Disallowance under 40(a)(i) | - | (59.08) | - | (59.08) |
| Total | - | (68.21) | - | (68.21) |



27 Earnings per share

| Particulars | Year Ended March 31, 2023 | Year Ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Earnings per share (EPS) | | |
| Net profit for calculation of basic EPS (Profit after tax) | 242.95 | 293.47 |
| Weighted average number of equity shares in calculating basic and diluted EPS | 5,000.00 | 5,000.00 |
| Basic and diluted earnings per share | 4,859.01 | 5,869.34 |
| Face value per share | 10 | 10 |

28 Contingent liabilities and Capital commitments

There are no capital commitments and contingent liabilities at the end of the year

29 Disclosure pursuant to Indian Accounting Standard – 19 'Employee Benefits'
Gratuity (Defined benefit plan)

In accordance with the Payment of Gratuity Act, 1972 applicable for the Indian Companies, the company provides for a lumpsum payment to eligible employees at the termination or retirement of employment based on last drawn salary and years of employment with the company. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Liabilities with respect to these defined benefit plan are determined by actuarial valuation, performed by external actuary, at each Balance Sheet using projected unit credit method. These defined benefit plan exposes the company to actuarial risks such as liquidity risks, interest rate risk, demographic risk, regulatory risk and salary escalation risk.

Liquidity Risks

This is the risk that the Company is not able to meet the short term gratuity payouts. This may arise due to non availability of enough cash/cashequivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Interest Risk

The plan exposes the Company to the risk off all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Demographic Risks

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risks

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of Rs. 20,00,000).

Salary escalation Risk

The present value of the defined plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have bearing on the plan's liability.

The following tables set out disclosures prescribed by Indian Accounting Standard – 19 'Employee Benefits' in respect of the Company's unfunded gratuity plan.

A) Net employee benefit expense recognized in the employee cost

| Particulars | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|---|---------------------------------------|---------------------------------------|
| Current service cost | 15.22 | 16.08 |
| Interest cost on benefit obligation | 1.21 | - |
| Net actuarial gain recognized in the year | - | - |
| Net benefit expense | 16.43 | 16.08 |

Balance Sheet

B) Benefit asset/ liability

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---|--------------------------|--------------------------|
| Present value of defined benefit obligation | 33.31 | 16.08 |
| Plan liability | 33.31 | 16.08 |

C) Changes in the present value of the defined benefit obligation are as follows:

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---|--------------------------|--------------------------|
| Opening defined benefit obligation | 16.08 | - |
| Current service cost | 15.22 | 16.08 |
| Interest cost | 1.21 | - |
| Benefits paid | - | - |
| Actuarial gain on obligation | 0.82 | - |
| Closing defined benefit obligation | 33.31 | 16.08 |

D) Other Comprehensive Income

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------------------|--------------------------|
| Actuarial (gains) / losses | 0.82 | - |
| Change in demographic assumptions | - | - |
| Change in financial assumptions | - | - |
| Experience variance (i.e. Actual experience vs assumptions) | - | - |
| Others | - | - |
| Return on plan assets, excluding amount recognised in net interest expense | - | - |
| Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling | - | - |
| Components of defined benefit costs recognised in other comprehensive income | 0.82 | - |



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E) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

| Particulars | As at | As at |
|------------------------|-----------------|-----------------|
| | 31st March 2023 | 31st March 2022 |
| Discount rate | 7.52% | 7.52% |
| Attrition rate | 10% | 10% |
| Salary Escalation rate | 8.00% | 8.00% |
| Retirement age | 58 | 58 |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

F) Sensitivity Analysis:

| Particulars | As at March 31, 2023 | | As at 31st March 2022 | |
|--|----------------------|----------|-----------------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount Rate | 361121 | 425919 | - | - |
| (% change compared to base due to sensitivity) | -10.83% | 12.78% | - | - |
| Salary Growth (-/+ 1%) | 410662 | -354463 | - | - |
| (% change compared to base due to sensitivity) | 12.32% | -10.63% | - | - |
| Attrition Rate (-/+ 50% of attrition rates) | -128521 | 136787 | - | - |
| (% change compared to base due to sensitivity) | 3.86% | 4.10 | - | - |
| Mortality rate (-/+ 10% of mortality rates) | 999 | 0 | - | - |
| (% change compared to base due to sensitivity) | 0.03% | 0 | - | - |

30 Related party transaction

A. Names of related parties and their relationship

| | |
|---|---|
| Holding Company | : Kurlon Enterprise Limited |
| Ultimate Holding Company | : Kurlon Limited |
| Key Management Personnel | : Jamsheed Mmoo Pandey : Ashish Vilas Pradhan : Vivek Kumar Bajpai |
| Fellow Subsidiaries | : Kurlon Retail Limited : Komfort Universe Products & Services : Kanvas Concepts Private Limited : Belvadore International Limited : Manipal Travels (I) Pvt Ltd : Sevalal Solar Private Limited : Sirar Dhotre Solar Private Limited |
| Enterprises owned or significantly influenced by Key Management Personnel/Director or their relatives | : Kurlon Limited : Sevalal Solar Private Limited : Sirar Dhotre Solar Private Limited |

B. Related parties under Ind AS 24 with whom transactions have taken place during the year

| | |
|---|-------------------------|
| Holding Company | : Kurlon Enterprise Ltd |
| Enterprises owned or significantly influenced by Key Management Personnel/Director or their relatives | : Kurlon Limited |

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

| Name | Nature of transaction | As at 31 March 2023 | As at 31 March 2022 |
|--|---|---------------------|---------------------|
| M/s.Kurlon Enterprise Limited | Supply of Services-Primary transport | 3,906.60 | 802.39 |
| M/s.Kurlon Enterprise Limited | Supply of Services-Secondary transport | 2,578.55 | 2,628.59 |
| M/s.Kurlon Enterprise Limited | Supply of Warehousing Services | 983.81 | 1,056.96 |
| M/s.Kurlon Enterprise Limited | Supply of Admin & Management Services | 2,826.07 | 2,239.17 |
| M/s.Kurlon Enterprise Limited | Reimbursement paid | 4.44 | 3.75 |
| M/s.Komfort Universe Products & Services Ltd | Supply of Admin & Management Services | 40.87 | - |
| M/s.Kurlon Limited | Rent paid | 25.08 | 4.37 |
| M/s Manipal Software & Ecommerce Pvt Ltd | Software Charges | 20.88 | - |
| M/s Manipal Travels (I) Pvt Ltd | Travel ticket booking- Reimbursement of Ticket Cost | 27.41 | - |
| M/s Manipal Travels (I) Pvt Ltd | Travel ticket booking- Commission | 0.88 | - |
| Vivek Kumar Bajpai | Salary Paid | 56.30 | - |

C. Balances with related parties as on 31 March, 2023 and 31 March, 2022

| Name | Nature of transaction | As at 31 March 2023 | As at 31 March 2022 |
|--|-----------------------|---------------------|---------------------|
| M/s.Kurlon Enterprise Limited | Trade Payables | 0.74 | 3.20 |
| M/s.Kurlon Enterprise Limited | Advance Received | 280.00 | 280.37 |
| M/s.Kurlon Limited | Trade Payables | 3.39 | 0.03 |
| M/s Manipal Travels (I) Pvt Ltd | Trade Payables | 5.41 | 0.03 |
| M/s Komfort Universe Products & Services Ltd | Trade Receivables | 15.37 | - |
| M/s.Kurlon Enterprise Limited | Trade Receivables | 781.81 | 1,131.93 |



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31 Financial Instruments

A- Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholders' value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company's gearing ratio, which is total net borrowings divided by total capital employed is as below:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Total Equity Attributable to the Equity Shareholders of the Company | 788.19 | 545.24 |
| As a percentage of Total Capital | 99.73% | 99.30% |
| Current Borrowings | 2.16 | 3.83 |
| Non-Current Borrowings | - | - |
| Total Borrowings | 2.16 | 3.83 |
| As a percentage of Total Capital | 0.27% | 0.70% |
| Total Capital Structure | 790.35 | 549.07 |

The Company is predominantly equity financed which is evident from the capital structure table.

B - Categories of Financial Instruments

The carrying amounts and fair values of the financial instruments by class are as follows:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|-----------------------------------|------------------------|------------------------|
| Financial Assets | | |
| Measured at Amortised Cost | | |
| - Trade Receivables | 856.22 | 1,268.63 |
| - Cash and Cash Equivalents | 46.10 | 334.45 |
| - Other Financial Assets | 247.74 | 311.30 |
| TOTAL | 1,150.06 | 1,914.38 |
| Financial Liabilities | | |
| Measured at Amortised Cost | | |
| - Trade Payables | 537.28 | 1,271.99 |
| - Lease Liability | 2,685.54 | - |
| TOTAL | 3,222.82 | 1,271.99 |

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The Company has disclosed financial instruments such as trade and other payables, trade receivables, cash and cash equivalents and other bank balances at carrying value because their carrying are a reasonable approximation of the fair values due to their short term nature.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

C - Financial Risk Management

The Company's principal financial liabilities, comprise of trade and other payables.

The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors.

This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk. The sensitivity analyses in the following sections relate to the position as at 31st March, 2023. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31st March, 2023.

(i) Interest Rate Risk

Interest rate is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. However there are no instruments that are exposed to risk of fluctuation in market interest rates.

(ii) Interest rate risk management & Sensitivity Analysis

There are no interest bearing financial instrument as at the reporting date.

(b) Credit Risk :

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables)



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Financial Instruments and Cash & Bank Deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31st March 2022 is the carrying amounts which are given below.

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|-----------------------------|------------------------|------------------------|
| Current Assets | | |
| - Cash and Cash Equivalents | 46.10 | 334.45 |
| Total | 46.10 | 334.45 |

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits, Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be very low.

Maturity Profile of Financial Liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date:

| Particulars | Carrying Value | Less than 1 year | 1 to 5 years |
|-----------------------------|-----------------|------------------|--------------|
| As at 31 March, 2023 | | | |
| Current Liabilities | | | |
| Trade Payables | 537.28 | 537.28 | - |
| Total | 537.28 | 537.28 | - |
| As at 31 March, 2022 | | | |
| Current Liabilities | | | |
| Trade Payables | 1,271.99 | 1,271.99 | - |
| Total | 1,271.99 | 1,271.99 | - |

32 Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The fair value hierarchy of assets and liabilities measured at fair value as of 31 March 2023 is as follows:

| Particulars | Total (Carrying Value) | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|--|------------------------|---|---|---|
| Financial Assets | | | | |
| Measured at Amortised Cost | | | | |
| Current Assets | | | | |
| Trade receivables (refer note 8) | 856.22 | - | - | 856.22 |
| Cash and cash equivalents (refer note 9) | 46.10 | - | - | 46.10 |
| Total | 902.32 | - | - | 902.32 |
| Financial Liabilities | | | | |
| Measured at Amortised Cost | | | | |
| Current Liabilities | | | | |
| Trade Payables (refer note 15) | 537.28 | - | - | 537.28 |
| Total | 537.28 | - | - | 537.28 |

33 Cash and non - cash changes in liabilities arising from financing activities

| | 1st April 2022 | Cash Flow | Non Cash Changes Addition to lease liabilities | Foreign exchange movements | 31st March 2023 |
|---|----------------|-----------|---|-------------------------------|-----------------|
| Lease Liabilities(Non Current) | - | - | 2,040.96 | - | 2040.96 |
| Lease Liabilities(Current) | 0.00 | 652.55 | -7.97 | - | 644.58 |
| Cash and non - cash changes in liabilities arising from financing activities | | | | | |
| | 1st April 2021 | Cash Flow | Non Cash Changes Addition to lease liabilities | Foreign exchange movements | 31st March 2022 |
| Lease Liabilities(Non Current) | - | - | - | - | - |
| Lease Liabilities(Current) | - | - | - | - | - |



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34 Ratio Analysis and its element

| Ratio | Numerator | Denominator | As at March 31, 2023 | As at March 31, 2022 | % of change | Reason for variance (where the change in the ratio is more than 25% as compared to the preceding year) |
|---------------------------------|--|---|----------------------|----------------------|-------------|---|
| Current Ratio | Current Assets | Current Liabilities | 0.52 | 0.83 | -37.47% | Cash balances 289.15 and in other current assets balance with govt Authorities is reduced by 85.64 L and Trade payables is decreased by 1781.26 which led to lower working capital ratio. |
| Debt-Equity Ratio | Total Debt | Shareholder's Equity | - | 0.01 | -100.00% | OD has been paid off in the current year |
| Debt Service Coverage Ratio | Earnings for debt service = Net profit after taxes + Non-cash operating expenses | Debt service = Interest & Lease Payments + Principal Repayments | - | - | - | Company does not have any debt |
| Return on Equity Ratio | Net Profits after taxes - Preference Dividend | Average Shareholder's Equity | 0.36 | 1.08 | -66.15% | Pvt Ltd company is in existence from the period 2021-22, Hence the last year closing balance is considered as the avg due to which the ratio is not comparable. |
| Inventory Turnover Ratio | Cost of goods sold | Average Inventory | - | - | - | |
| Trade Receivable Turnover Ratio | Net credit sales = Gross credit sales - sales return | Average Trade Receivable | 9.93 | 15.00 | -33.83% | Pvt Ltd company is in existence from the period 2021-22, Hence the last year closing balance is considered as the avg due to which the ratio is not comparable. |
| Trade Payable Turnover Ratio | Net credit purchases = Gross credit purchases - purchase return | Average Trade Payables | 7.56 | 11.02 | -31.38% | Pvt Ltd company is in existence from the period 2021-22, Hence the last year closing balance is considered as the avg due to which the ratio is not comparable. |
| Net Capital Turnover Ratio | Net sales = Total sales - sales return | Working capital = Current assets - Current liabilities | -11.61 | -26.54 | -56.27% | |
| Net Profit Ratio | Net Profit | Net sales = Total sales - sales return | 0.02 | 0.03 | -25.21% | Interest Expense on lease Liability & Dep on ROU has booked in the current year, because of which Profit is reduced |
| Return on Capital Employed | Earnings before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | 459.41 | 311.67 | 47.40% | Because of interest on Lease liability, in the current year: Int Exp has increased. |
| Return on Investment | Interest (Finance Income) | Investment | - | - | - | |

35 Other statutory information

- The company doesn't have immovable properties as at 31st March 2023.
- During the year, the Company has not revalued its Property, Plant and Equipments and Intangible Assets
- The company has not granted any Loans or Advances to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person
- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company has not borrowed from banks or financial institutions. Hence, the company has not filed any statements with the Banks or financial institutions.
- The Company has not been declared as wilful defaulter by any bank or financial institutions or other lenders.
- The Company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- The company has not entered into any transaction which are prescribed under Clause (87) of Section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- The Company has not entered into any Scheme of Arrangement which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company has not borrowed any funds from Banks or financial institution. Hence, reporting of usage of borrowings from banks and financial statements for the specific purpose for which it has taken is not
- The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessment under the Income Tax Act, 1961 as income during the year.

36 Corporate Social Responsibility

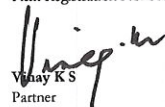
The Company is not required to contribute towards Corporate Social Responsibility ("CSR") as required by Schedule VII of the Act, as the Company does not meet criteria specified in the applicable rules and regulations

37 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules have not been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period in which the Code will become effective.

38 Prior Period Comparatives

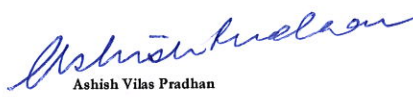
Previous year figures are reclassified / re-grouped to confirm this year's classification.

In terms of our report of even date
For ASA & Associates LLP
Chartered Accountants
Firm Registration No. 009571N/N500006

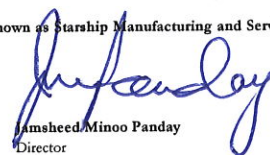

Vinay K S
Partner
Membership Number : 223085

Place: Bangalore
Date: 28/07/2023

For and on behalf of Board of Directors of
Starship Value Chain & Manufacturing Private Limited (Formerly known as Starship Manufacturing and Services


Ashish Vilas Pradhan
Director
DIN: 08630024

Place: Bangalore
Date: 28/07/2023


Jamsheed Minoo Panday
Director
DIN: 00232768

Place: Bangalore
Date: 28/07/2023



Details of Payment to Securities and Exchange Board of India (SEBI)

| S. No | Particulars | Details |
|-------|---|---|
| 1 | Complete Name of the remitter entity / person | Sheela Foam Limited |
| 2 | Address of the entity / person | # 604 Ashadeep, 9 Hailey Road, New Delhi 110001 |
| 3 | Date of remittance of fee | 12/04/2024 |
| 4 | Fee remitted (Rs.) | 5,00,005 |
| 5 | Transaction Reference no. | YESIG41030196651 |
| 6 | Date of remittance of GST | 12/04/2024 |
| 7 | GST Amount (Rs.) | 90,000.90 |
| 8 | Transaction Reference no. | YESIG41030196651 |
| 9 | GST Registration No. | 09AAACS0189B1ZM |
| 10 | Name as appearing in GST Registration | Sheela Foam Limited |

Thanking You.

Yours faithfully,
For Sheela Foam Limited

Md. Iqbal Ahmad
Company Secretary and Compliance Officer

Date: April 12, 2024
Place: New Delhi

SHEELA FOAM LTD.

#14, Sleepwell Tower , Sector 135, Noida- 201301
Ph: Int-91(0)-120-4868400 • Fax: Int-91-(0)-120-4162282, 4162283 • Email: contactus@sheelafoam.com
Regd. Office: 604 Ashadeep, 9 Hailey Road, New Delhi-110001, India • Ph: Int-91(0)-11-23316875-76
Toll Free: 1800 103 6664 • www.sleepwellproducts.com • www.sheelafoam.com
CIN-L74899DL1971PLC005679

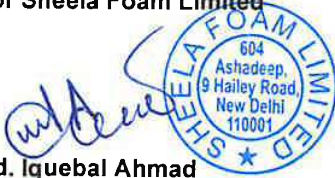


Details of Payment to BSE Limited

| S. No | Particulars | Details |
|-------|---|---|
| 1 | Complete Name of the remitter entity / person | Sheela Foam Limited |
| 2 | Address of the entity / person | # 604 Ashadeep, 9 Hailey Road, New Delhi 110001 |
| 3 | Date of remittance of fee | 10/04/2024 |
| 4 | Fee remitted (Rs.) | 4,32,000 |
| 5 | Transaction Reference no. | YES1641010143088 |
| 6 | Date of remittance of GST | 10/04/2024 |
| 7 | GST Amount | 72,000 |
| 8 | Transaction Reference no. | YES1641010143088 |
| 9 | GST Registration No. | 09AAACS0189B1ZM |
| 10 | Name as appearing in GST Registration | Sheela Foam Limited |

Thanking You.

Yours faithfully,
For Sheela Foam Limited



Md. Iqbal Ahmad
Company Secretary and Compliance Officer

Date: April 10, 2024
Place: New Delhi

SHEELA FOAM LTD.

#14, Sleepwell Tower, Sector 135, Noida- 201301

Ph: Int-91(0)-120-4868400 • Fax: Int-91-(0)-120-4162282, 4162283 • Email: contactus@sheelafoam.com
Regd. Office: 604 Ashadeep, 9 Hailey Road, New Delhi-110001, India • Ph: Int-91(0)-11-23316875-76
Toll Free: 1800 103 6664 • www.sleepwellproducts.com • www.sheelafoam.com
CIN-L74899DL1971PLC005679



| | |
|--|--|
| To The General Manager Department of Corporate Services BSE Limited P.J. Towers, Dalal Street Mumbai - 400001 | To, Manager - Listing Compliance National Stock Exchange of India Limited 'Exchange Plaza'. C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 |
|--|--|

Sub: Unpaid dues report as per Para (I)(A)(7) of the SEBI Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by the Securities and Exchange Board of India (SEBI)

| Sr. No. | Particulars | Details of dues/fine | Amount | Reason for non-payment |
|---------|---------------------------------|-------------------------------------|--------|------------------------|
| 1 | Pending Dues of SEBI | No pending dues and fines/penalties | Nil | Not Applicable |
| 2 | Pending Dues of Stock Exchanges | No pending dues and fines/penalties | Nil | Not Applicable |
| 3 | Pending Dues of Depositories | No pending dues and fines/penalties | Nil | Not Applicable |

Yours faithfully

For Sheela Foam Limited

Md. Iqbal Ahmad

Company Secretary

Date: April 04, 2024

Place: New Delhi

SHEELA FOAM LTD.

#14, Sleepwell Tower, Sector 135, Noida- 201301

Ph: Int-91(0)-120-4868400 • Fax: Int-91(0)-120-4162282, 4162283 • Email: contactus@sheelafoam.com

Regd. Office: 604 Ashadeep, 9 Hailey Road, New Delhi-110001, India • Ph: Int-91(0)-11-23316875-76

Toll Free: 1800 103 6664 • www.sleepwellproducts.com • www.sheelafoam.com

CIN-L74899DL1971PLC005679



| | |
|--|--|
| To The General Manager Department of Corporate Services BSE Limited P.J. Towers, Dalal Street Mumbai - 400001 | To, Manager - Listing Compliance National Stock Exchange of India Limited 'Exchange Plaza'. C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 |
|--|--|

Dear Sir,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the draft Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company"), and Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company") and their respective shareholders and creditors ("Scheme")

No Objection Certificate to the Scheme by Secured Creditors/ Lenders

Dear Sir,

1. Please refer to our application under Regulation 37 of the the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the draft Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company"), and Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company") and their respective shareholders and creditors ("Scheme")
2. List of secured creditors of Inox Wind Limited as on March 31st, 2024 is enclosed as **Annexure A**. We confirm that we have obtained NOC from 100% secured creditors for the Scheme. Copy of NOCs issued by secured creditors are enclosed as Annexure B

SHEELA FOAM LTD.

#14, Sleepwell Tower , Sector 135, Noida- 201301

Ph: Int-91(0)-120-4868400 • Fax: Int-91-(0)-120-4162282, 4162283 • Email: contactus@sheelafoam.com
Regd. Office: 604 Ashadeep, 9 Hailey Road, New Delhi-110001, India • Ph: Int-91(0)-11-23316875, 118001
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CIN-L74899DL1971PLC005679

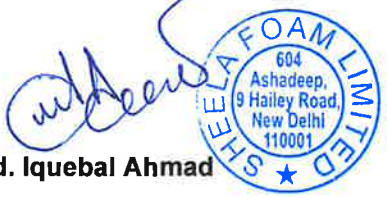




| S.No | Name of Secured Creditor | Status of NOC |
|------|--------------------------|--------------------------------------|
| 1 | Kotak Mahindra Bank | Received. Enclosed as per Annexure B |
| 2 | Yes Bank Limited | Received. Enclosed as per Annexure B |
| 3 | Citi Bank | Received. Enclosed as per Annexure B |
| 4 | J.P Morgan Chase Bank | Received. Enclosed as per Annexure B |

Yours faithfully,

For **Sheela Foam Limited**



Md. Iqbal Ahmad

Company Secretary

Date: April 04, 2024

Place: New Delhi

SHEELA FOAM LTD.

#14, Sleepwell Tower , Sector 135, Nojda- 201301

Ph: Int-91(0)-120-4868400 • Fax: Int-91-(0)-120-4162282, 4162283 • Email: contactus@sheelafoam.com

Regd. Office: 604 Ashadeep, 9 Hailey Road, New Delhi-110001, India • Ph: Int-91(0)-11-23316875-76

Toll Free: 1800 103 6664 • www.sleepwellproducts.com • www.sheelafoam.com

CIN-L74899DL1971PLC005679

Date: 05th April, 2024

Ref. No.: SES-NOC-100267868

To,

Sheela Foam Limited

604 Ashadeep, 9 Hailey

Road, New Delhi-110001

Dear Sir,

Re: Consent letter for Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company") and their respective shareholders and creditors (the "Scheme") under section 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder.

Sub: Your mail dated 29.03.2024 ["Request Mail"]

1. We, Kotak Mahindra Bank Ltd., ("KMBL/Bank") refer to your Request Mail requesting consent/ no objection in respect of the Scheme.
2. Subject to Paragraph 5 below, in terms of paragraph A.2(k) of Part I of SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 (as amended), we, being the Secured Creditor of the Company in respect of the credit facilities availed/to be availed by the Company in terms of Sanction Letter No. [] dated [] as amended/supplemented from time to time and other related documents executed thereto ("Finance Documents"), hereby provide our consent/ no objection to the Scheme and all transactions therein, and unconditionally confirm that Company may implement the Scheme and undertake all such acts and things as may be required and expedient to give effect to the Scheme.
3. We hereby provide our consent/no objection to the Company to make requisite statutory filings, if any, including forms with the relevant Registrar of Companies, as necessary, to give effect to the Scheme.
4. We hereby agree that the consent and authorization provided hereby shall be binding on our successors, and assigns..
5. The consent provided in Paragraph 2 above shall be subject to the following conditions:
 - a. All our rights under Finance Documents remain unchanged and in full force and effect (except as we have otherwise specifically agreed hereunder); and Making any requisite statutory filings, including filing any forms with the Registrar of Companies, as may be required to give effect to the Scheme.
6. The Company may submit this letter to the stock exchanges i.e., BSE and NSE, as may be required, to evidence our consent/ no objection to the Scheme and the transaction contemplated therein. However, this letter has been issued at your specific request and nothing stated herein shall make us liable to any person relying or purporting to rely on the contents hereof.

7. A consent or approval not specifically mentioned in this letter shall not be deemed to be read into this letter or in any way read to expand the scope of the consents/approvals herein provided. Except to the extent specifically permitted herein, nothing contained herein shall be deemed to permit the persons relying on this letter to use or include the name, any trademark or brand name of Kotak Mahindra Bank in any manner

Thank you.

Yours faithfully

For Kotak Mahindra Bank Limited

Authorised Signatory

Name: Puja Agarwal

Designation: Deputy Vice President

CIIB- Wholesale Integrated Service Excellence - (WISE)

Email ID: puja.a@kotak.com

Phone No.: (D) 011-41276299

Date: April 04, 2024

To

Sheela Foam Limited
604 Ashadeep, 9 Hailey
Road, New Delhi-110001

Dear Sir,

Re: Consent letter for Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company") and their respective shareholders and creditors (the "Scheme") under section 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder.

Sub: Your letter vide email dated 28 March 2024 ["Request Letter"] addressed to Yes Bank Limited ("Bank") in its capacity as a lender regarding the proposed Scheme

1. We refer to your Request Letter requesting consent/ no objection in respect of the Scheme.
2. Subject to Paragraph 5 below, in terms of paragraph A.2(k) of Part I of SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 (as amended), we hereby provide our consent/ no objection to the Scheme and all transactions therein, and unconditionally confirm that Company may implement the Scheme and undertake all such acts and things as may be required and expedient to give effect to the Scheme.
3. The Company is hereby authorised to make requisite statutory filings, if any, including forms with the relevant Registrar of Companies, as necessary, to give effect to the Scheme.
4. We hereby agree that the consent and authorization provided hereby shall be binding on our successors, endorses, assigns, and holders in due course.
5. The consent provided in Paragraph 2 above shall be subject to the following conditions:
 - a. All our rights under the Master Facility Agreement and security documents executed between the Bank and Company remain unchanged and in full force and effect (except as we have otherwise specifically agreed hereunder); and
 - b. Making any requisite statutory filings, including filing any forms with the Registrar of Companies, as may be required to give effect to the Scheme.
6. The Company may submit this letter to the stock exchanges i.e., BSE and NSE, as may be required, to evidence our consent/ no objection to the Scheme and the transaction contemplated therein.

Northern Regional Corporate Office: YES BANK Limited, Level-4th, 5th and 14th (A) Max Towers, Sector 16 B, Noida (U.P.), 201301, India

Website: www.yesbank.in Email: communications@yesbank.in CIN: L65190MH2003PLC143249

Thank you.

Yours faithfully

Yes Bank Limited

Smyrishi
[Signature and Stamp]

Authorised Signatory



Citibank N.A.

Address

DLF Square,
Jacaranda Marg, Block M,
DLF Phase 2, Sector 25,
Gurugram, Haryana, 122002

F +91 124 489 3918

www.citibank.co.in



April 08th, 2024

To,
The Board of Directors
SHEELA FOAM LIMITED,
604 Ashadeep, 9 Hailey
Road, New Delhi-110001

Dear Sirs,

SUBJECT: NO OBJECTION CERTIFICATE

REFERENCE: Consent letter for Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVCMP" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company") and their respective shareholders and creditors (the "Scheme") under section 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder.

1. We have received a request letter dated 28th Mar, 2024 from the company for issuance of a 'No Objection Certificate' in respect of the Scheme.
2. Subject to Paragraph 5 below, in terms of paragraph A.2(k) of Part I of SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 (as amended), we hereby provide our consent/ no objection to the Scheme and all transactions therein, and unconditionally confirm that Company may implement the Scheme and undertake all such acts and things as may be required and expedient to give effect to the Scheme.
3. The Company is hereby authorised to make requisite statutory filings, if any, including forms with the relevant Registrar of Companies, as necessary, to give effect to the Scheme.
4. We hereby agree that the consent and authorization provided hereby shall be binding on our successors, endorses, assigns, and holders in due course.
5. The consent provided in Paragraph 2 above shall be subject to the following conditions:
 - a. All our rights under Debt and Finance Documents remain unchanged and in full force and effect (except as we have otherwise specifically agreed hereunder); and
 - b. Making any requisite statutory filings, including filing any forms with the Registrar of Companies, as may be required to give effect to the Scheme.

• Citibank N.A.

F +91 124 489 3918

Address

DLF Square,
Jacaranda Marg, Block M,
DLF Phase 2, Sector 25,
Gurugram, Haryana, 122002

www.citibank.co.in



6. We confirm that we are agreeable to sign such notices, affidavits, deeds and agreements, as may be required to give effect to the consents set out in this letter.
7. The Company may submit this letter to the stock exchanges i.e., BSE and NSE, as may be required, to evidence our consent/ no objection to the Scheme and the transaction contemplated therein.

This letter shall be deemed to form part of and shall not be read in conflict with the terms of the Finance Documents. Capitalized terms used but not defined therein, shall have the same meaning ascribed to such terms in the Request Letter or in the Scheme, as the case may be.

Thanking you.

Yours faithfully,
For Citibank N.A.



Cc: M/s. SHEELA FOAM LIMITED

Date: April 03, 2024

To

Sheela Foam Limited
604 Ashadeep, 9 Hailey
Road, New Delhi-110001

Dear Sir,

Re: Consent letter for Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1"), Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), Kurlon Retail Limited ("KRL" or "Transferor Company 3"), Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5"), Kurlon Enterprise Limited ("KEL" or "Transferee Company" or "Amalgamating Company") and Sheela Foam Limited ("SFL" or "Amalgamated Company" or "Company") and their respective shareholders and creditors (the "Scheme") under section 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder.

Sub: Your request vide email dated March 29, 2024 ["Request Letter"] addressed to JPMorgan Chase Bank, N.A. (the "Bank") in its capacity as a lender regarding the proposed Scheme

1. We refer to your Request Letter requesting consent/ no objection in respect of the Scheme.
2. Subject to Paragraph 5 below, in terms of paragraph A.2(k) of Part I of SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 (as amended), we hereby provide our consent/ no objection to the Scheme and all transactions therein, and unconditionally confirm that Company may implement the Scheme and undertake all such acts and things as may be required and expedient to give effect to the Scheme.
3. The Company is hereby authorised to make requisite statutory filings, if any, including forms with the relevant Registrar of Companies, as necessary, to give effect to the Scheme.
4. We hereby agree that the consent and authorization provided hereby shall be binding on our successors, endorses, assigns, and holders in due course.
5. The consent provided in Paragraph 2 above shall be subject to the following conditions:
 - a. All our rights under the facility and security documents executed between the Bank and the Company remain unchanged and in full force and effect (except as we have otherwise specifically agreed hereunder); and
 - b. Making any requisite statutory filings, including filing any forms with the Registrar of Companies, as may be required to give effect to the Scheme.



JPMorgan Chase Bank, N.A., India
(Incorporated with limited liability in U.S.A.)

Branch Office: 4th Floor, Unit No. 407, Worldmark 2, Asset Area No 8, Hospitality District, Delhi Aerocity, New Delhi, 110 037.
Telephone : + 91 11 6611 1700 Facsimile : + 91 11 6611 1717

Principal Office: J.P. Morgan Tower, Off. C.S.T. Road, Kalina, Santacruz - East, Mumbai - 400 098.
Telephone : + 91-22-6157 3000 Facsimile : + 91-22-6646 6204

6. The Company may submit this letter to the stock exchanges i.e., BSE and NSE, as may be required, to evidence our consent/ no objection to the Scheme and the transaction contemplated therein.

Thank you.

Yours faithfully

JPMorgan Chase Bank N.A., acting through its branches in India

R. Rajappal

Authorised Signatory



JPMorgan Chase Bank, N.A., India
(Incorporated with limited liability in U.S.A.)

Branch Office: 4th Floor, Unit No. 407, Worldmark 2, Asset Area No 8, Hospitality District, Delhi Aerocity, New Delhi, 110 037.
Telephone : + 91 11 6611 1700 Facsimile : + 91 11 6611 1717

Principal Office: J.P. Morgan Tower, Off. C.S.T. Road, Kalina, Santacruz - East, Mumbai - 400 098.
Telephone : + 91-22-6157 3000 Facsimile : + 91-22-6646 6204



| | |
|--|--|
| To The General Manager Department of Corporate Services BSE Limited P.J. Towers, Dalal Street Mumbai - 400001 | To, Manager - Listing Compliance National Stock Exchange of India Limited 'Exchange Plaza'. C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 |
|--|--|

Dear Sir/ Madam,


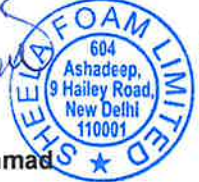
Sub: Confirmation by the Company Secretary

I, Md. Iqubal Ahmad, being the Company Secretary of Sheela Foam Limited hereby confirms that:

- Sheela Foam Limited will not issue/reissue shares not covered under the draft Scheme of Arrangement.
- As on date of application there are no outstanding Warrants/instruments/agreements which give right to any person to take the equity shares in the Amalgamated entity at any future date.
- The proposed Scheme of Arrangement is in accordance with the Memorandum of Association & Articles of Association of the Companies involved in the Scheme of Arrangement.

Yours faithfully

For Sheela Foam Limited

Md. Iqubal Ahmad
Company Secretary

Date: April 04, 2024

Place: New Delhi

SHEELA FOAM LTD.

#14, Sleepwell Tower , Sector 135, Noida- 201301

Ph: Int-91(0)-120-4868400 • Fax: Int-91-(0)-120-4162282, 4162283 • Email: contactus@sheelafoam.com
Regd. Office: 604 Ashadeep, 9 Hailey Road, New Delhi-110001, India • Ph: Int-91(0)-11-23316875-76

Toll Free: 1800 103 6664 • www.sleepwellproducts.com • www.sheelafoam.com

CIN-L74899DL1971PLC005679



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| To The General Manager Department of Corporate Services BSE Limited P.J. Towers, Dalal Street Mumbai - 400001 | To, Manager - Listing Compliance National Stock Exchange of India Limited 'Exchange Plaza'. C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 |
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Sub: Prior history of any Scheme of Arrangement concerning the Company

Dear Sir/ Madam

We hereby submit that Sheela Foam Limited (hereinafter referred to as the "Company") had filed a petition under Section 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, before the Jurisdictional National Company Law Tribunal, New Delhi Bench ("NCLT"), for the approval of Scheme of Amalgamation between the Sheela Foam Limited ("Transferee Company") and International Comfort Technologies Private Limited ("Transferor Company") and their respective Shareholders and Creditors ("Scheme"). The Transferor Company is a wholly owned subsidiary of the Transferee Company.

Further, the Company has received the certified copy of order passed by the NCLT approving the Scheme of Amalgamation of Transferor Company with the Company and their respective Shareholders and Creditors ("Order") on February 19, 2024.

The Order has been filed with the Registrar of Companies, Delhi & Haryana in e-Form INC – 28 on March 01, 2024, along with the Scheme.

According to the statutory provisions and the terms stated under the Scheme, the Scheme becomes effective from the Appointed Date and becomes operative from the Effective Date which will be March 01, 2024, i.e., the date of filing of certified copy of the Order with the Registrar of Companies, Delhi & Haryana.

Upon the Scheme becoming effective, the entire business and whole of the undertaking of the Transferor Company stand transferred to and is vested and/or deemed to have been vested in the Company, as a going concern without any further deed or act.

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Yours faithfully

For Sheela Foam Limited



Md. Iqbal Ahmad
Company Secretary

Date: April 04, 2024

Place: New Delhi

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